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# CURRENT INTELLIGENCE WEEKLY SUMMARY



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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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## THE WEEK IN BRIEF

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## PART I

OF IMMEDIATE INTEREST

## EAST-WEST RELATIONS . . . . . Page 1

Khrushchev maintained his campaign last week to blame the United States for the collapse of the summit meeting, but took pains to reaffirm his intention to work for an improvement in Soviet-US relations. His new disarmament proposals were designed to appear responsive to Western views on a number of important issues, as a means of refurbishing the image of the USSR as the champion of peaceful coexistence. The Chinese Communists have directly attacked Khrushchev's justification for his continued policy of peaceful coexistence which Moscow repeated in its latest disarmament proposal. [REDACTED]

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## POLITICAL UNREST IN JAPAN . . . . . Page 4

Leftist elements in Japan, encouraged by the large and relatively orderly turnout on 4 June, are striving to expand the wave of demonstrations and strikes aimed at forcing the resignation of Prime Minister Kishi and preventing ratification of the US-Japanese security treaty. Under these pressures, however, most members of the ruling Liberal-Democratic party have temporarily halted efforts to oust Kishi and are rallying to support his plan for completing ratification prior to the arrival of President Eisenhower on 19 June. The treaty will probably be ratified as planned, but Kishi's prospects for retaining office for long thereafter remain poor. [REDACTED]

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## THE SITUATION IN TURKEY . . . . . Page 5

The new regime in Turkey has begun to show signs of anxiety and insecurity. A countrywide military alert is still in force, and widespread arrests of adherents of the old regime and intensive screening of army, police, and gendarmerie personnel have contributed to an atmosphere of tension. The new government has received widespread diplomatic recognition. [REDACTED]

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## CUBA . . . . . Page 6

Khrushchev's acceptance of an invitation to visit Cuba is the latest evidence of Soviet intentions to exploit fully Castro's open hostility to the United States. No date has been mentioned; Moscow will probably seek

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invitations from other Latin American countries. Reports persist in Havana that Chou En-lai has also accepted an invitation to visit Cuba. Western oil companies, which on 6 June advised the Cuban Government of their refusal to refine Soviet crude oil, expect that their refineries will soon be taken over. [REDACTED]

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**PART II****NOTES AND COMMENTS****CONFERENCE OF INDEPENDENT AFRICAN STATES . . . . . Page 1**

The second regular conference of independent African states, to be held in Addis Ababa from 14 to 25 June, is expected to bring together official delegates of some 15 independent or about-to-be independent countries and the Algerian rebels' provisional government. Emboldened by their growing numbers, the conferees will probably spend most of their time devising new tactics to promote the "African position" on such familiar issues as Algeria, apartheid, South-West Africa, and France's nuclear tests. Although a permanent intergovernmental African organization seems likely to be created, inter-African frictions--especially between "militants" and "moderates"--may be intensified. [REDACTED]

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**CONGO POLITICS . . . . . Page 2**

Political activity in the Belgian Congo is centered about efforts of various groups to keep Patrice Lumumba, whose National Congo Movement forms the largest single bloc in the new legislature, out of the premiership. In all, 28 parties--many with only one seat--are represented in the 137-man legislature elected in late May. Although anti-Lumumba groups claim to have enough seats to form a majority coalition, they are disorganized and fear that Lumumba's exclusion from a Congo government might lead him to increasingly irresponsible activities. Separatist sentiment is once again being openly voiced in Leopoldville and Katanga provinces. [REDACTED]

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**MIDDLE EAST DEVELOPMENTS . . . . . Page 4**

Election maneuvering in Lebanon is approaching a climax, and sporadic violent incidents are sure to occur. The parliamentary elections will take place on four successive Sundays beginning 12 June. In Iraq, Prime Minister Qasim in a speech on 4 June made an overture for better

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## PART II (continued)

relations with the UAR and Jordan. The propaganda battling between Iraq and these countries has already died down, and Iraqi relations with Iran have also shown some slight improvement. [REDACTED]

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## THE BLOC AID EFFORT IN YEMEN . . . . . Page 5

Moscow and Peiping have persisted in their work on economic development projects in Yemen despite little effective cooperation from the host country. Substantial progress has been made on port construction and road projects, and Yemen appears willing to accept additional bloc aid. [REDACTED]

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## COMMUNIST CHINA SIGNS NEW AGREEMENT WITH MONGOLIA . . . . . Page 6

Premier Chou En-lai during his visit to Mongolia from 27 May to 1 June signed for Peiping a Treaty of Friendship and Mutual Assistance, and the Chinese also agreed to extend a \$50,000,000 credit for Mongolia's forthcoming Five-Year Plan (1961-65). Statements by the Mongolian premier made it clear, however, that Peiping is not supplanting Moscow as the predominant influence in the country. [REDACTED]

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## COMMUNIST ACTIVITY IN NEPAL . . . . . Page 8

Prime Minister Koirala believes that Communists in Nepal are preparing to inaugurate a major drive for popular support throughout the country. The Communists are reported setting up local "people's libraries," along with a network of district headquarters. Koirala's dominant position and his plans for counteraction will probably limit the Communists' immediate prospects for success, but the government's slow pace in implementing development programs affords the Communist party ample opportunities to broaden its political base. [REDACTED]

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## PAKISTAN'S LOCAL COUNCIL PROGRAM DELAYED . . . . . Page 8

The Pakistani regime has encountered difficulties in making effective instruments of government out of the local councils--"basic democracies"--which were elected with much fanfare in late December and early January. President Ayub has announced that because of "legal and administrative difficulties" it will be six months to a year before these councils are generally effective. The delay, which may be even longer, will probably impede local economic development programs and undermine the regime's reputation within Pakistan for getting things done. [REDACTED]

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**PART II (continued)****SOMSANITH GOVERNMENT INVESTED IN LAOS . . . . . Page 9**

The government of Premier Tiao Somsanith, approved by the Laotian National Assembly on 5 June by an overwhelming margin, is heavily weighted in favor of the Party of Democracy and Social Progress, the new party sponsored by the strongly anti-Communist Committee for Defense of National Interests (CDNI). Despite some weak spots, the cabinet is one of the abler ones in Laos' recent history; its viability will depend in large part on the ability of Somsanith and CDNI leader General Phoumi, who is defense minister, to work together. The new government has reiterated Laos' neutrality in international affairs, but is expected to push repressive measures against local Communists. [REDACTED]

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25X1**DUTCH-INDONESIAN RELATIONS . . . . . Page 10**

Several months of increasingly belligerent recriminations between the Netherlands and Indonesia are in prospect following the departure from Rotterdam on 30 May of the Dutch aircraft carrier Karel Doorman for a flag-showing tour of the Far East. Djakarta continues to regard the Dutch cruise as a provocative threat to Indonesian sovereignty, while The Hague is obsessed with fear that the Indonesians may attempt to seize Netherlands New Guinea. The chance of an incident cannot be ruled out, despite the apparent desire of both sides to avoid one. [REDACTED]

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**FINNISH POLITICAL SITUATION . . . . . Page 12**

The effort of the past week to form a majority government in Finland was promoted largely by President Kekkonen, but also reflected Soviet attempts to exert influence in Finnish domestic affairs. Moscow was believed by some Finnish politicians involved to want a government more broadly based than the present Agrarian cabinet, which commands only 47 seats out of 200 in parliament, in order to obtain a longer term trade agreement. The Agrarian cabinet will probably last at least until the Diet reconvenes in September. [REDACTED]

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**CONFLICTS IN BRITISH LABOR PARTY OVER FOREIGN POLICY . . . Page 13**

Labor party leader Gaitskell is making an all-out effort to gain acceptance for a new Labor defense policy which, while "recognizing" that Britain is no longer capable of developing an independent nuclear deterrent, would reaffirm the maintenance of British ties with NATO and support of nuclear weapons for NATO. Collapse of the summit conference has brought some additional support for Gaitskell's policy. As of now, however, advocates of

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## PART II (continued)

unilateral British nuclear disarmament--who are mainly in the trade unions--command enough votes to win on this issue at the party conference in October. [REDACTED]

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## ARGENTINA REINFORCES MEASURES AGAINST TERRORIST ATTACKS . Page 14

President Frondizi has sent to Congress a proposal to impose stronger penalties for bombings, which have been frequent throughout Argentina, and a decree providing for federal control over Cordoba Province. The army, in charge of antiterrorist investigations since mid-March, has accused inept and uncooperative Cordoba officials of protecting and conniving with Peronista terrorists. The army reportedly insisted on federal intervention in Cordoba, a highly unpopular step throughout the country.

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## THE PRESIDENTIAL ELECTIONS IN BOLIVIA AND ECUADOR . . . . Page 14

In Bolivian and Ecuadorean presidential elections on 5 June, former Presidents Victor Paz Estenssoro and Jose Velasco Ibarra won sweeping victories, each in four-way contests marked by serious violence and coup threats. Although both countries experienced revolutions repeatedly in the 1930s and 1940s, prospects are good for peaceful inaugurations on 6 August for Paz and on 1 September for Velasco. Both men are noted for unorthodox financial policies during earlier terms of office and both are expected to emphasize economic development, possibly at the expense of the gains in economic stability made by the incumbent administrations. [REDACTED]

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## PART III

PATTERNS AND PERSPECTIVES

## DETERIORATING INTERNAL SITUATION IN POLAND . . . . . Page 1

Conditions in Poland have worsened steadily since the crisis last fall over meat shortages. The continuing deterioration results from the ineptitude of party and government leaders, agricultural setbacks, and the public's low morale. The people have lost hope of any improvement in their situation, and they see the political changes of the past six months and the return of former Stalinists to power as foreshadowing worse things to come. Despite several recent riots over religious issues, the prevailing public mood seems one of apathy. [REDACTED]

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**PART III (continued)****OUTLOOK FOR THE FRENCH COMMUNIST PARTY . . . . . Page 6**

De Gaulle's policies on economic austerity and church schools and his authoritarian attitude toward parliament have given the French Communist party an unusually promising opportunity to break out of its political isolation. Despite its present insignificant parliamentary strength, the party retains the best organized political machine in France, and its labor arm has succeeded in establishing a pattern of cooperation with non-Communist unions. The continuing stalemate in Algeria and any move toward relaxation of East-West tensions will probably facilitate Communist efforts to win acceptability as a responsible political group. [REDACTED]

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**IZVESTIA INSPIRES NEW LOOK IN THE SOVIET PRESS . . . . . Page 9**

Aleksey Adzhubey, Khrushchev's son-in-law, has given Izvestia, the Soviet Government mouthpiece, a face-lifting designed to increase its reader appeal and its propaganda effectiveness. Adzhubey has introduced innovations in format, style, and content--many borrowed from Western newspapers--which have gained numerous new readers and probably increased the paper's impact. Adzhubey's changes appear to be in answer to the party's call for a revitalization of the regime's lumbering propaganda machinery, and other Soviet newspapers are beginning to follow his example. [REDACTED]

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**PETROLEUM DEVELOPMENTS IN LATIN AMERICA . . . . . Page 15**

Although Latin America in 1959 retained its approximately 18-percent share of world petroleum production which it held in 1958, its portion of the mounting total may decline in 1960, in part because of the indicated leveling of production in Venezuela, the world's second largest producer and leading exporter of petroleum. The highest percentage gains in Latin America in 1959 were registered by Argentina and Brazil. Nationalistic sentiment against foreign-owned oil companies--a continuing problem in Argentina, Brazil, and various other countries--flared up particularly in Peru and Cuba. The USSR's efforts to expand petroleum exports scored successes in Cuba and Uruguay, but its offers of technical aid and credits to various national oil agencies have been accepted only in part. [REDACTED]

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## PART I

OF IMMEDIATE INTEREST

## EAST-WEST RELATIONS

Khrushchev maintained his campaign last week to blame the United States for the collapse of the summit meeting. While his intemperate attacks on President Eisenhower during his press conference on 3 June were intended for this purpose, they reflect his sensitivity to charges that his pre-summit policy has been proved wrong and that he allowed himself to be deceived by the President. Khrushchev last week also used questions posed by Izvestia and Pravda to refute statements by Secretary Herter and White House Press Secretary Hagerty concerning his refusal to agree to bilateral discussions in Paris on the U-2 incident.

Khrushchev at the same time reaffirmed during the press conference his intention to work for better Soviet-US relations. He predicted that an improvement will come about "in a more tangible way" after the US elections. He also stated that the USSR would not impose any restrictions on cultural exchanges.

Khrushchev did not modify his earlier position that the status quo in West Berlin would be maintained until another summit meeting takes place in "six to eight months." However, he warned the West against believing that conclusion of a separate treaty with East Germany could be delayed by postponing a summit conference beyond the time period he has suggested. He indicated that, before taking any unilateral action, Moscow would go through the normal steps of calling a peace con-

ference of wartime allies. As to the timing, he stated only that the USSR would initiate this process "when we see that enough time has passed."

Disarmament

Khrushchev has again turned to the disarmament proposals as a means of refurbishing the image of the USSR as the champion of peaceful coexistence. In his letter to President Eisenhower on 2 June, he stated that "recent events not only have not lessened but, on the contrary, have strengthened the Soviet Government's determination to achieve a radical solution of the disarmament problem."

Khrushchev's new proposals, which he said had been prepared for presentation to the summit meeting, are designed to appear responsive to Western views on a number of important issues. However, in an effort to exploit Western differences resulting from France's insistence on giving top priority to measures for controlling nuclear weapons delivery systems, the new Soviet plan provides, as the first stage toward complete disarmament, for the prohibition and destruction of all means for the delivery of nuclear weapons. The USSR insists, however, that these measures must be accompanied by the liquidation of foreign military bases and the withdrawal of all foreign troops from the territory of other states.

To counter Western criticism of the vague and ambiguous control provisions contained in the

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plan Khrushchev placed before the United Nations last September, the new proposals include details on the nature and functions of a control system. They spell out control measures for each of the three stages in the Soviet program and outline the composition and voting procedures of the proposed International Control Organization. Moscow now provides for on-site inspection of successive disarmament steps, missile launching sites, and plants and installations engaged in military production.

The Soviet Union apparently regards the renewed negotiations on disarmament in Geneva as a holding operation until it can bring the issue before the larger propaganda forum of the UN General Assembly. Soviet chief delegate Zorin's moderate statements on his arrival for the reopening of the talks and at the initial session on 7 June were designed to reinforce the impression of Soviet sincerity in seeking a speedy agreement with an effective control system. He expounded on the new Soviet proposals at some length, but he offered no new points of substance or significant clarifications.

At a news conference on 7 June, Zorin anticipated that a stalemate might be reached in the talks when he again warned of the USSR's intentions to turn over its plan to the General Assembly, which reconvenes in September, if no agreement can be reached in Geneva.

A member of the Soviet delegation to the nuclear test talks told an American official on 1 June that he saw no hope for progress at the disarmament

talks. He said Moscow has not requested a special meeting of the UN General Assembly to deal with the problem because the USSR could not yet muster the votes required to convene one. Moscow's propagandists are asserting that while the Soviet Union has brought specific and broad new proposals to the resumed negotiations, the West has come empty-handed. They point, as did Zorin, to certain "forces" in the West which they allege are obstructing an agreement, and identify them as the same forces responsible for thwarting the summit conference.

**Nuclear Test Talks**

The USSR has stiffened its position on the terms of a joint research program to perfect means of detecting small underground tests. Soviet delegate Tsarapkin on 2 June expressed dissatisfaction with the safeguards offered by the American delegation to assure that US research explosions would not be used to develop new nuclear weapons. He demanded full Soviet participation in the formulation and execution of the US program and announced that the USSR has no plans to conduct underground explosions of either chemical or nuclear devices.

This turnabout occurred after Soviet experts at Geneva had outlined a Soviet research program for 1960-63 providing for six large chemical explosions during 1960 and 1961 in the USSR. Tsarapkin contended that the only reliable safeguard would be the right to inspect the US devices used in research explosions.

The shift in the Soviet position on research tests may have resulted in part from Soviet

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concern that the Geneva discussions on a joint research program had implied Soviet acknowledgment of deficiencies in the 1958 system. This system, the USSR has previously argued, needs no improvements, and Tsarapkin's objective probably was to re-emphasize Moscow's full confidence in the 1958 experts' report. Tsarapkin strongly argued that the USSR had agreed to a joint research program not because it doubts the capabilities of the 1958 system but only because the United States had made this a condition for a moratorium on small underground tests.

Another member of the Soviet delegation told a member of the American delegation that, contrary to his feelings in April, he now is pessimistic about prospects for the talks. He noted that the President has twice stated he could not commit his successor, and claimed that therefore a moratorium could not last longer than eight months at best. He saw no hope of any agreement until at least next year, when the United States has a new administration.

Chinese Reaction

In their dispute with the USSR over tactics toward the United States, the Chinese Communists have directly attacked Moscow's justification for its policy as restated by Khrushchev in the Soviet disarmament proposals of 2 June. An editorial in the Peiping People's Daily on 7 June, while generally supporting the Soviet proposals, flatly stated that the Chinese cannot agree that war now can be "fundamentally eliminated"--

a statement taken from the text of Moscow's proposals.

In attacking this statement as an "unpractical illusion about peace" and affirming that it is "entirely necessary" for bloc countries to "strengthen their armed forces," the Chinese are making it clear they are reluctant to reduce their armed forces and to alter their hostility toward American policy in the Far East.

The Chinese are also stepping up their criticism of the concept of East-West negotiations as a means of reducing American strength and influence. Party Chairman Liu Shao-chi stated on 3 June that the "imperialists...will not accept negotiations unless hard pressed by circumstances"--a line consistent with their position that American hostility toward Peiping has not changed despite talks at Panmunjom, Geneva, and Warsaw. Trade union chief Liu Ning-i recently told the general council of the World Federation of Trade Unions--now meeting in Peiping--that "no talks in any case can take the place of the struggle of the working class" on the international scene.

The Chinese are clearly concerned about Khrushchev's apparent desire not to close the door on the possibility of future summit meetings, from which they feel they will be excluded. They probably calculate that Soviet diplomatic maneuvering may again require a thaw in Soviet-American relations--an atmosphere which would again hamper their effort to inflame anti-American sentiment in various countries and thus "isolate the US." 25X1

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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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## POLITICAL UNREST IN JAPAN

Leftist elements in Japan, encouraged by the large and relatively orderly turnout on 4 June, are striving to expand the wave of demonstrations and strikes aimed at forcing the resignation of Prime Minister Kishi and preventing ratification of the new US-Japanese security treaty. Under these pressures, however, most members of the ruling Liberal-Democratic party (LDP) have temporarily halted efforts to oust Kishi and are rallying to support his plan for completing ratification prior to the arrival of President Eisenhower on 19 June. Kishi's prospects for retaining office for long thereafter remain poor.

Japanese police officials have estimated the nationwide turnout on 4 June at 830,000 persons, considerably less than leftist claims, but still the largest demonstration of its kind in Japan since World War II. Encouraged also by the relative lack of adverse public reaction--even to the railway strike, which was illegal--the leftists are planning still larger performances during the week of 11 to 18 June.

Apparently recognizing that disunity in the LDP could endanger passage of the treaty, the conservative party factions led by Hayato Ikeda, Eisaku Sato, Takeo Miki, and Bamboku Ono are moving to support Kishi

on the ratification issue. Factions led by Tanzan Ishibashi, Kenzo Matsumura, and Ichiro Kono, whose members constituted the bulk of the 25 LDP abstentions when the lower house voted on the treaty on 20 May, are still refusing to cooperate with Kishi on the issue.

The Socialists' threat to resign en masse from the lower house is calculated to force Kishi into dissolving the Diet, thereby nullifying all legislative action on the treaty. Even if they do so, however, Kishi is constitutionally empowered to continue the ratification process. He is still expected either to use his substantial majority in the upper house to complete passage about 15 June or, in the absence of a vote, to allow ratification to occur automatically on 19 June.

Kishi has steadfastly refused to resign or to dissolve the Diet until the treaty is ratified. Thereafter, however, intraparty rivals, tacitly supported by business interests which finance the LDP, are certain to redouble their efforts to unseat him because he stands in the way of their aspirations for power. Most informed observers believe Kishi cannot long withstand intraparty pressures for his resignation.

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## THE SITUATION IN TURKEY

The new military regime in Turkey, which has received widespread diplomatic recognition, has begun to show signs of anxiety and insecurity, although the reason for the air of uneasiness is not clear. The regime of the military National Unity Committee is not as relaxed as it was a week ago. The countrywide military alert.

25X1 [redacted] suggests concern over possible active organized resistance.

The National Unity Committee (NUC) still suspects the loyalty of the National Police and believes the gendarmerie is too politically oriented toward the old Democratic party regime. Some members of the Turkish National Police who have been screened have already reappeared on the streets of Ankara. Security screenings within the army, including the General Staff, show a continuing concern over military reliability. There were earlier rumors of localized antiregime demonstrations in the provinces.

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The Kurds in southeastern Turkey also remain a continuing problem to the provisional government, as they did to the previous regime. However, no definite areas of effective or organized opposition have emerged.

Other unsettling factors are adding to the tension. Many press articles and leaflets aimed at stimulating hatred for the former Menderes regime are appearing. At least one of these

has included anti-American references. The military "outs," especially in the higher grades, are showing resentment toward the relatively junior NUC group. The demand for revenge from some of the middle grades in the military and from other anti-Menderes elements is encouraging the regime to adopt a harsher attitude toward the members and supporters of the old government. The arrest of Democratic deputies and local functionaries has been broader than indicated by a previous NUC pronouncement.

Despite these pressures and anxieties, the provisional government and the revolutionary committees established to determine evidence of guilt and to draft a new constitution appear to be operating in a business-like manner in an attempt to hasten a return to normalcy. The constitutional committee has indicated that it hopes to



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complete its work by the end of June. Other committees of legal experts and professional specialists are reviewing legislation passed by the former regime and studying records to

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determine evidence of malfeasance in office.

New provisional appointees to economic posts who are viewed by the US Embassy as competent and efficient were also announced on 1 June, indicating an attempt to right Turkey's economic imbalance. Provincial government should also return to normal now that most civilian governors of Turkey's 67 provinces are resuming their duties following their declaration of loyalty to the regime. New governors are to be appointed to Ankara, Istanbul, Izmir, Agri, and Siirt.

While the domestic political picture remains unclear, the Republican People's party is still confident of victory when elections are held. A new factor has entered the picture, however, as provisional President-Premier Gursel has let it be known through the press that contrary to earlier indications, he might enter political life "if the country's interest demands it." Gursel has also stated that unless elections are held by October, adverse weather conditions will necessitate delaying them until spring.

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**CUBA**

Khrushchev's acceptance of an invitation to visit Cuba is the latest evidence of Soviet intentions to exploit fully Castro's open hostility to the United States and evident desire for closer relations with the bloc. Khrushchev would use any visit as a forum to speak to the peoples of all the Latin American nations in an attempt to remove their fears of establishing closer ties with the USSR and to convince them that such ties would be to their benefit. Moscow will probably seek invitations from other Latin American nations in order to make the greatest possible propaganda impact.

A large number of articles on Cuba have appeared in the Soviet press, all praising the revolution and denouncing alleged American "imperialist" efforts to topple Castro and destroy the revolution. Khrushchev himself on several occasions recently has praised

Castro personally, and indicated clearly that the USSR hopes to encourage similar nationalist movements throughout Latin America.

At his 18 May press conference in Paris, the Soviet premier welcomed the events in Cuba and stated, "I am convinced the other Latin American countries will also rise up in the struggle for their independence." On 28 May, Khrushchev called Castro a "fiery patriot...who carries out a policy that meets the needs of the Cuban people."

Reports that Chinese Communist Premier Chou-En-lai has also accepted an invitation to visit Cuba persist in Havana, where the Peiping Opera Company continues to be feted by Castro officials. The troupe is the guest of the Castro government for its month-long tour. Chou may have been invited by Armed Forces Inspector General Galvez, who received red-carpet treatment

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during two recent visits to Communist China. Galvez now is ending a global good-will tour to the USSR, North Vietnam, and other bloc and neutral countries.

The Czech foreign commerce minister arrived in Havana on 6 June with an official delegation to conclude commercial, payment, technical, and credit agreements negotiated between the Cuban and Czech governments over the past few weeks.

The one British and two US oil companies in Cuba, which advised the Cuban Government on 6 June of their refusal to refine Soviet crude oil, expect that their refineries will soon be taken over. However, as of 9 June, Castro officials did not appear ready to press the issue.

The American Embassy believes the publicity attendant on the refusal will spark another anti-US propaganda blast by Castro-controlled media.

Cuban President Dorticos arrived in Caracas on 6 June, despite Venezuelan President Betancourt's efforts to cancel the visit. The Cubans were accorded a minimum of official attention and stayed only 36 hours instead of the originally scheduled four days before leaving for Mexico, last stop on Dorticos' Latin American trip. The Nicaraguan Government on 1 June demanded the recall of the Cuban ambassador and his entire staff for having repeatedly engaged in subversive activities. Nicaragua says it has "suspended" relations with Cuba.

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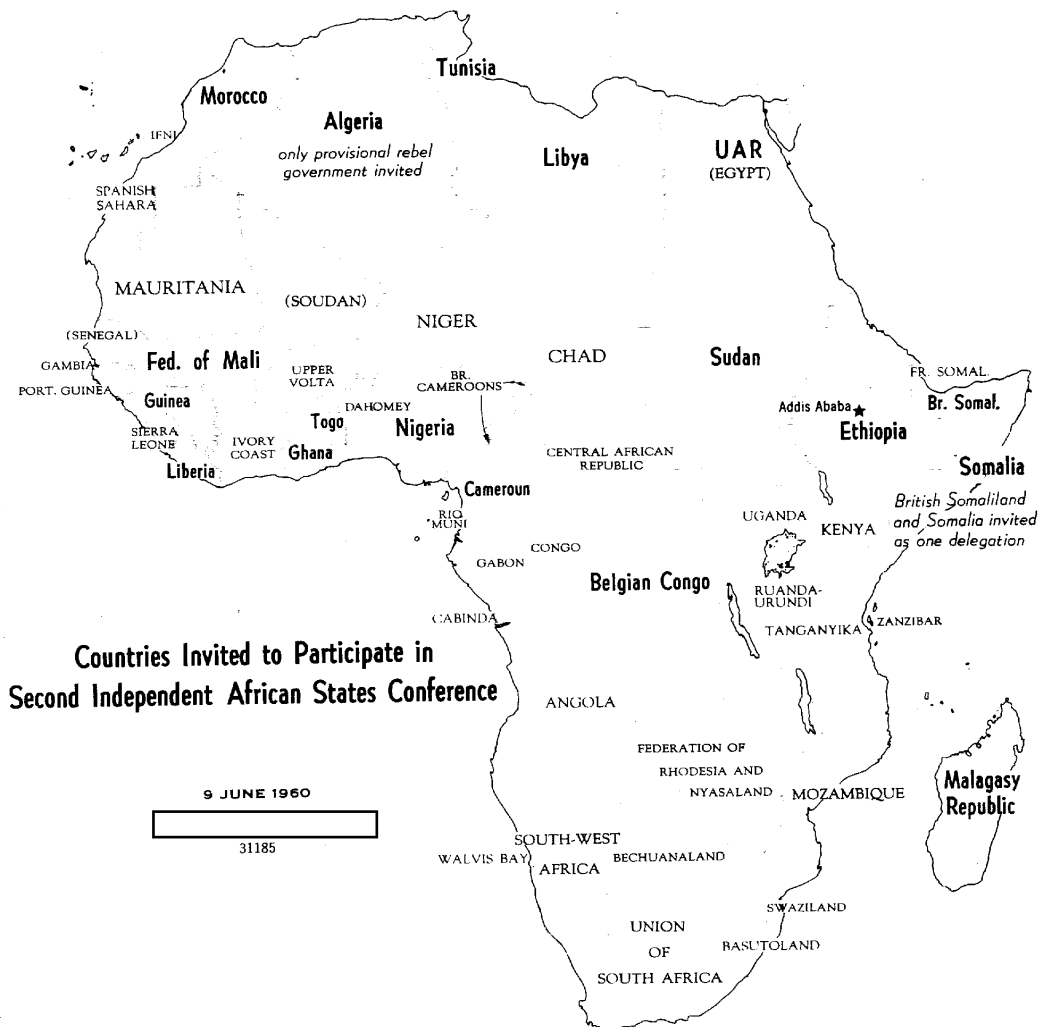
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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****9 June 1960****PART II****NOTES AND COMMENTS****CONFERENCE OF INDEPENDENT AFRICAN STATES**

The conference of independent African states which is to be held in Addis Ababa from 14 to 25 June will be another step in the emergence of the "African personality" on the international scene. Billed as the second "regular" meeting in a series inaugurated by an eight-nation gathering in Accra in April 1958, it is actually the third

general intergovernmental meeting, a "special" session having been convened in Monrovia last August.

Ethiopia is preparing to play host to at least 140 official delegates and an equal number of observers, spectators, journalists, and other visitors. Formal invitations have gone out to each of the 12 independent

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African states except South Africa, to the Algerian rebels' provisional government, and to five states--Mali, the Belgian Congo, Somalia, the Malagasy Republic, and Nigeria--which will become sovereign between 20 June and 1 October. Togo, however, has indicated it will not attend the meeting.

Numerous nationalist leaders from dependent territories will attend as observers, on subsidies from Ethiopia. Special representatives of several Soviet bloc countries, including the USSR, are expected to be on hand and may obtain some official status.

An informal secretariat composed of the UN delegates of the African states has drawn up a 20-item provisional agenda for the conference. Although the agenda is comprehensive in nature, its emphasis and the recent remarks of African officials indicate that the conferees will probably spend most of their time attempting to coordinate policy and work out new tactics to promote the "African position" on certain familiar issues. These include Algeria, France's nuclear testing program, and South Africa's apartheid policy and refusal to place the mandated territory of South-West Africa under UN trusteeship.

In contrast to the first meeting, at which the UAR was the chief proponent of extreme positions and Ghana's Nkrumah a moderating influence, the Ghanaians now appear determined to be in the vanguard of those advocating militant action. Nkrumah's representatives are reported planning to urge formation of an Algerian "liberation committee" charged with seeking an early UN-supervised referendum in Algeria to determine that area's future. The Ghanaians also reportedly intend to press for a "total" boycott of South Africa and for agreement on constitutional issues related to the formation of a close-knit African political union.

Other participants, while likely to support proposals aimed at increasing pressure on France and South Africa, can be expected vigorously to oppose Ghana's ideas on union. Liberia, in particular, has indicated its intention to campaign for a more moderate approach, beginning with the development of constructive cooperation among African states in specific fields. At the same time, the Liberians plan to propose--and most of the conferees appear ready to accept--the immediate establishment of some type of permanent intergovernmental organization, perhaps patterned after the Organization of American States.

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**CONGO POLITICS**

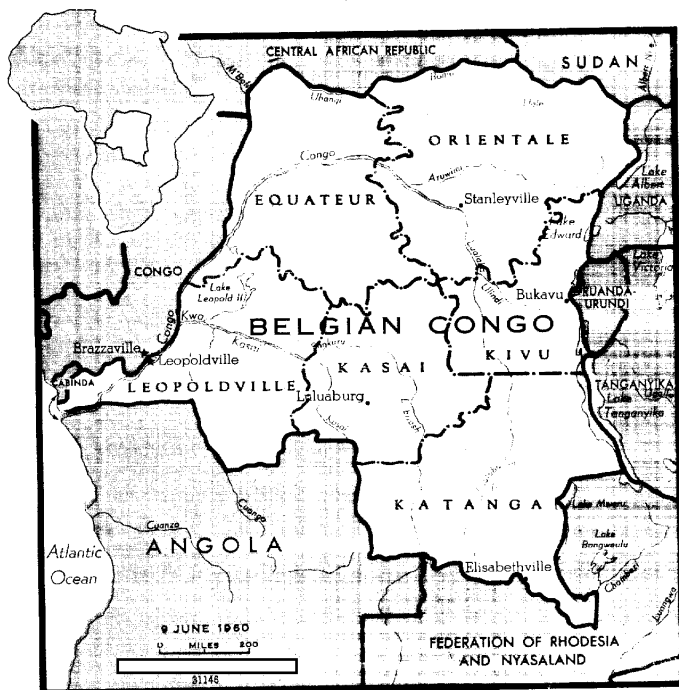
Political activity in the Belgian Congo is centered about the efforts of various African groups to agree on a premier-designate. In all, 28 parties--many with only one seat--are represented in the Congo legislature elected in late May.

No party holds a majority, although Patrice Lumumba's National Congo Movement (MNC) controls at least 41 of the 137 seats, as many as the next three parties combined.

Lumumba--anticipating moves by his rivals to form a

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vote rather than by the legislature. He predicted that any government opposed by his party "would not last two months."

Current maneuvering is aimed largely at blocking Lumumba, whose extremist oratory during the election campaign disturbed many Africans as well as Europeans. Some anti-Lumumba groups are only insisting that he indicate his willingness to join with other parties in a coalition, while others are working to bring about his exclusion from the government altogether. The Consulate General at Leopoldville characterizes the op-

coalition against him--demanded after the elections that he be appointed premier on the basis of his plurality in the new legislature. Hinting darkly of "trouble" if his demands were not met, Lumumba also called for the immediate withdrawal of Belgian troops from the Congo and the election of a chief of state by popular

position to Lumumba as "confused, fearful, and disjointed." Lumumba's assertion on 7 June that he is supported by 70 of the assemblymen-elect suggests that he is working to build up an assembly majority and may not press his claim to the premiership on the basis of the MNC's plurality alone.

Belgian officials, although distrustful of Lumumba, could probably accept him as premier should he be supported by a majority of the legislature. One factor in the current maneuvering is the fear--among both Europeans and Africans--that Lumumba's exclusion from the government would lead to increasingly irresponsible activity on his part, and even to an effort to seize power. Nevertheless, anti-Lumumba forces claimed on 7 June to control 80 seats, and indicated that they were prepared to form a government.



LUMUMBA

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Meanwhile, the prospect of a government dominated by Lumumba has revived separatist tendencies in Leopoldville and Katanga provinces. In Leopoldville, the powerful Abako party announced on 8 June the formation of an "independent provincial government," while in Katanga the Conakat party--which controls a majority of the provincial assembly--may

still attempt to secede from the Congo after independence. While neither the Abako nor the Conakat appears likely to dissolve completely its ties with the Congo at this time, the present trend toward political disorganization will probably continue throughout the Congo in the absence of positive guidance from Brussels.

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**MIDDLE EAST DEVELOPMENTS**Lebanon

With parliamentary elections starting on 12 June, Lebanese politicians are engaged in maneuvering and negotiations. The first important pre-election clash occurred on 2 June when security forces apparently precipitated an incident in order to warn the anti-UAR Socialist Nationalist party against taking an active part in the elections.

The first group of elections--which will be held on four successive Sundays--will be in the Mount Lebanon region, where 99 candidates are running for 30 seats. The most critical contests there from the security standpoint will be in Alayh and the Druze-inhabited Shuf. In this area the election alliances present a bewildering array of candidates, with many crossing over traditional lines. Serious incidents are likely despite the presence of large security forces.

Iraq

In a defensive speech on 4 June, probably influenced to

some extent by the recent upheaval in Turkey, Prime Minister Qasim extolled the Iraqi revolution and stressed national unity, declaring, "No turncoat will appear among us." Emphasizing



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the unity theme, he reaffirmed Iraq's solidarity with Arab nationalism and made a bid for burying the hatchet with Nasir and King Husayn. He used the term "United Arab Republic" in a favorable context and included "Egypt and Syria and Jordan" in the list of Arab states with which he affirmed friendly ties. The propaganda battle between Cairo and Baghdad has almost died out, and Qasim may have felt that now is an opportune time to put Iraqi-UAR relations on a more friendly footing.

Although he did not mention relations with Iran, the Iraqi-Iranian feud also seems to have died down at least temporarily. Iraq recently sent a new ambassador to Tehran after many months of having its embassy there in the hands of a chargé. Iran has appointed an ambassador, but he has asked to be excused from assuming his post in Baghdad because of illness. The foreign minister, fearing that protracted delay will be misunderstood in Baghdad, has asked the Shah to order the new ambassador to assume his post immediately.

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## THE BLOC AID EFFORT IN YEMEN

The persistent efforts of the Soviet Union and Communist China to carry out their economic aid programs in Yemen apparently are meeting with some success and adding to the bloc's prestige. Bloc undertakings in the past were hampered by a lack of effective Yemeni cooperation, but recently there have been signs of increasing Yemeni appreciation for the bloc's efforts and an apparent willingness to accept additional bloc aid.

Under its \$25,000,000 aid credit extended in 1956, the Soviet Union is constructing a modern three-quay harbor at Hudayda. The first stage of the project has been completed, and ocean-going vessels now can enter the harbor through the recently dredged five-mile channel. Portions of newly constructed quays were officially opened for business in early May. Work is continuing, and the harbor

probably will be completed next year.

In addition to the harbor, the major Soviet project, Soviet engineers who arrived last month are conducting surveys for possible irrigation and agricultural improvements in the Hudayda area. Most of the estimated 300 Soviet technicians in Yemen, however, are working on the harbor project.

Communist China, which extended a \$16,000,000 credit to Yemen in 1958, appears to be commanding more public attention for its efforts than the USSR. The Hudayda-Manakha-Sana road, which is being built by about 700 Chinese "technicians," apparently is progressing fairly rapidly from the Hudayda end despite adverse working conditions. A start has also been made from the Sana terminal, and the Chinese recently began dynamiting a tunnel

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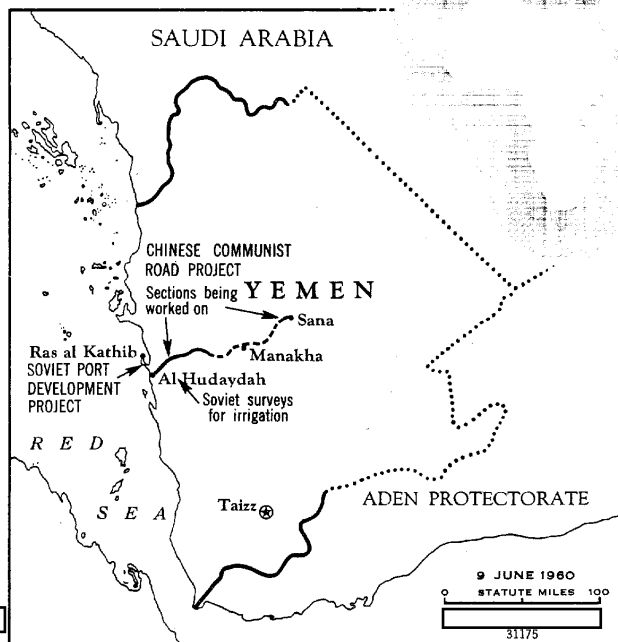
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through the mountains near there. The Chinese workers have resorted to night shifts in order to complete the project on schedule but are unlikely to complete the asphalt surfacing of the entire road until at least next year.

Chinese experts may soon begin work on a textile mill in Sana. Yemen previously permitted only token acceptance of bloc training offers, but about 75 Yemenis now are to be sent to China for training in textile manufacturing and road construction. More than 20 have already arrived in Peiping.

(Prepared by ORR)

**Major Bloc Projects in Yemen****COMMUNIST CHINA SIGNS NEW AGREEMENT WITH MONGOLIA**

Premier Chou En-lai was given a red-carpet reception during his visit to Mongolia from 27 May to 1 June.

His only previous visit in Ulan Bator had been in July 1954, and he is the first important guest the Mongolians have entertained since Mikoyan in 1958. The two public rallies and the several banquets held in his honor, as well as the considerable fanfare which accompanied the Chinese delegation's every move, reflect Mongolia's desire for enhanced international standing more than an attempt to flatter the Chinese.

The Sino-Mongolian Treaty of Friendship and Mutual Assistance signed during Chou's visit will increase high-level contacts. It provides for consultation between the two states on "important international questions of common interest" and formalizes China's interest in giving Mongolia all possible economic and technical aid. This treaty replaces a protocol on economic and cultural cooperation signed in 1952. Mongolia has previously negotiated treaties with only three other countries--the USSR in 1946, and Czechoslovakia and East Germany in 1957. Of the four, only the

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Soviet-Mongolian treaty contains a clause promising military assistance in case of need.

The economic aid agreement signed during Chou's visit provides for a new Chinese credit of \$50,000,000 to be used during Mongolia's Third Five-Year Plan (1961-65). Previous Chinese grants and credits to Mongolia,

continued during the next five years. More than 10,000 Chinese technicians and laborers now are at work in Mongolia.

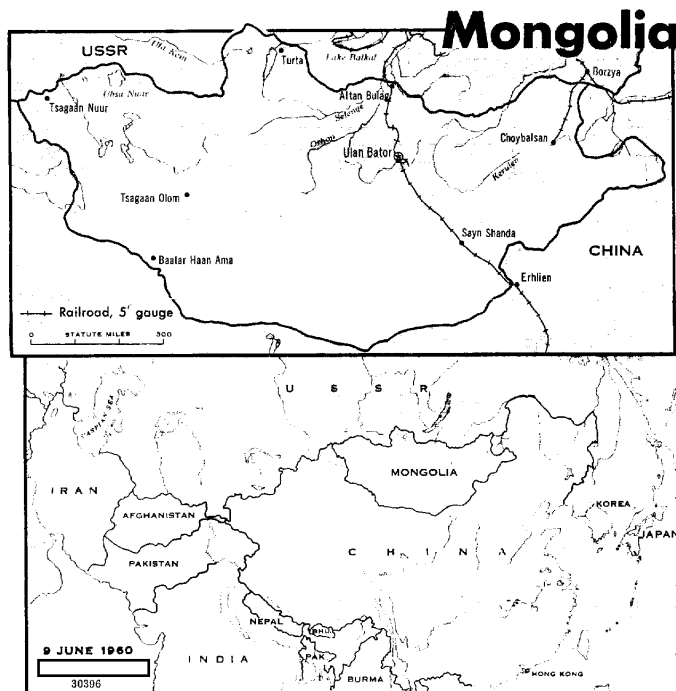
Mongolia, heavily dependent on external support for the development of its economy, also is receiving substantial economic aid from the Soviet Union, primarily in the fields of com-

munications, power, heavy industry, and large-scale public works. Soviet aid since 1948 totals \$275,000,000, plus about \$100,000,000 worth of Soviet property turned over to Ulan Bator. Earlier this year a new agreement with the USSR was signed under which Soviet credits and technical assistance will be extended during the next five years. The Soviet and Chinese aid programs are largely complementary because of different areas of concentration.

There is no reason to believe that Peiping is supplanting Moscow as the predominant influence in Mongolia. In accepting the aid, Premier Tsedenbal made

it clear that Mongolia continues to look primarily to the USSR for guidance. He termed the Russians "our oldest friends" and referred to the new Sino-Mongolian agreements as means of consolidating "the unity and cohesion of socialist camp countries led by the Soviet Union." (Prepared jointly with ORR)

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totaling \$65,000,000 since 1956, have been obligated for a wide variety of agricultural and light industrial projects and will be nearly exhausted by 1961. The new aid assures further Chinese participation in these fields and may include more emphasis on industrial projects, possibly including iron and steel facilities. Large-scale Chinese technical assistance will be

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**COMMUNIST ACTIVITY IN NEPAL**

Prime Minister Koirala has concluded that the Nepalese Communist party is preparing to inaugurate a major drive for popular support throughout the country. He expects that the party's efforts will be assisted by the Chinese Communists after Peiping establishes an embassy later this summer. To counter the expected Communist drive, Koirala plans to establish a committee of respected scholars to alert the public to the dangers of Communism: his home minister will give "discreet direction" to the group.

Recent Nepalese press articles have reported the establishment by the Communists of "people's libraries" and of a network of district headquarters at strategic points around the country. The "libraries," actually bookstores, will sell Communist literature and turn over the profits to the party.

In any such drive, the Communists are likely to continue to exploit charges from many quarters of corruption within the ruling Nepalese Congress

party; they are also likely to echo charges voiced at the Congress party's recent conclave that the government has failed to maintain the promised pace of economic development. In addition, the party will probably step up its efforts to fan later anti-Indian sentiment as a means of discrediting Koirala's policies and undermining close Indo-Nepalese cooperation. In April, Communist-inspired demonstrations based on these issues led the government to jail more than a dozen Communist leaders, including the spokesmen of the four-man Communist contingent in Parliament. They were subsequently released.

While the Nepalese Communist party itself is small and does not wield significant influence, it probably can incite agitation on a fairly wide scale. However, Koirala's dominant position, combined with growing Nepalese concern over Peiping's intentions, is likely to limit the Communist party's success in any drive to increase substantially its popular base.

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**PAKISTAN'S LOCAL COUNCIL PROGRAM DELAYED**

The Pakistani regime has encountered difficulties in making effective instruments of government out of the local councils, or "basic democracies," elected with much fanfare in late December and early January. President Ayub has announced that because of "legal and administrative difficulties" it will take from six months to a year for these councils to be generally effective.

One of the government's primary problems appears to be finding suitably loyal and competent persons to fill the appointive positions on the councils. After five months, the government still has not announced its selections for the 40,000 appointed members who are to serve on the councils, along with the 80,000 elected members. Councils at the district and divisional levels--

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previously promised for late March or early April--are only now being established. Councils at all levels are not to be "in office" until 1 July, according to the latest announcement. Ayub apparently expects additional delays before the system begins to function effectively.

These delays will probably result in slower progress on Pakistan's economic development programs. The councils are to be given major responsibility for economic-development work at the local level, and the local development authorities who are to be supplanted by the councils are likely to show little initiative in the interim. The delays will be particularly harmful for efforts to increase agricultural production and improve transportation facilities.

Government prestige is also likely to suffer. The regime

heavily publicized its rapid implementation of land-reform and refugee-resettlement programs in 1959; the delay in putting the councils to work will undermine its reputation for getting things done. Some elected council members have already complained that they have had nothing to do since their election. The "basic democracies" election also was originally publicized as a major step by Ayub in returning the government to the people, and many Pakistanis will probably criticize the government for taking so long to give their representatives real responsibility.

Ayub may try to show some progress soon. He is personally identified with the "basic democracies" scheme and apparently feels the councils will provide the basis for a return to "constitutional" government.

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**SOMSANITH GOVERNMENT INVESTED IN LAOS**

The Laotian National Assembly on 5 June approved the new government of Premier Tiao Somsanith by an overwhelming margin, ending the five-month interlude during which the country was governed by the nonparliamentary caretaker government of Kou Abhay.

The membership of the new government is heavily weighted in favor of the Party of Democracy and Social Progress (PDSP), recently created by the strongly anti-Communist Committee for Defense of National Interests (CDNI). Former Premier Phoui's alliance of old-line politicians, the Rally of the Lao People (RLP), received only one post, the relatively minor justice portfolio, which

will be held by Phoui's brother Ngon Sananikone. The rest of the 14-man cabinet, except for two or three lesser appointees classed as "independents," is made up of PDSP members.

Despite some weak spots, the new government appears to be one of the abler ones in Laos' recent history; its viability will depend in large part on the ability of Somsanith and Brigadier General Phoumi to work together.

Phoumi, the most powerful of the CDNI leaders, again heads the Defense Ministry; he will probably be the real power in the new government. Another CDNI leader, Khampan Panya, is the foreign minister, as he was

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in the caretaker government and in the Phoui government prior to the CDNI-RLP split last December. Somsanith will act as his own interior minister, a post for which he is well suited in view of his experience as National Police chief and his knowledge of village-level problems.

The lack of RLP opposition in the assembly investiture vote suggests that this party has resigned itself to the role of a "loyal opposition" in the months to come. It is badly split, however, and may not survive as an organization.

The Somsanith government can be expected to push repressive measures against local Communists and perhaps to make more vigorous efforts than previous regimes to extend the central government's control in the remoter areas of the country. Internationally, it will probably not change Laos' neutrality stand--particularly during the early months of its tenure. It will be anxious to assuage the fears of friendly powers that CDNI dominance might lead to an extremist anti-Communist posture which would spark a new international crisis in connection with Laos. [REDACTED]

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**DUTCH-INDONESIAN RELATIONS**

Several months of increasingly belligerent recriminations between the Netherlands and Indonesia are in prospect following the departure from Rotterdam on 30 May of the Dutch aircraft carrier Karel Doorman for a flag-showing tour of the Far East. Djakarta continues to regard the Dutch cruise as a provocative threat to Indonesian sovereignty, while The Hague is obsessed with fear that the Indonesians may attempt to seize Netherlands New Guinea. The chance of an incident cannot be ruled out, despite the apparent desire of both sides to avoid one.

[REDACTED] Luns has adamantly defended the Dutch "right" to dispatch the Karel Doorman, and plans are proceeding to strengthen New Guinea's very modest defenses. [REDACTED]

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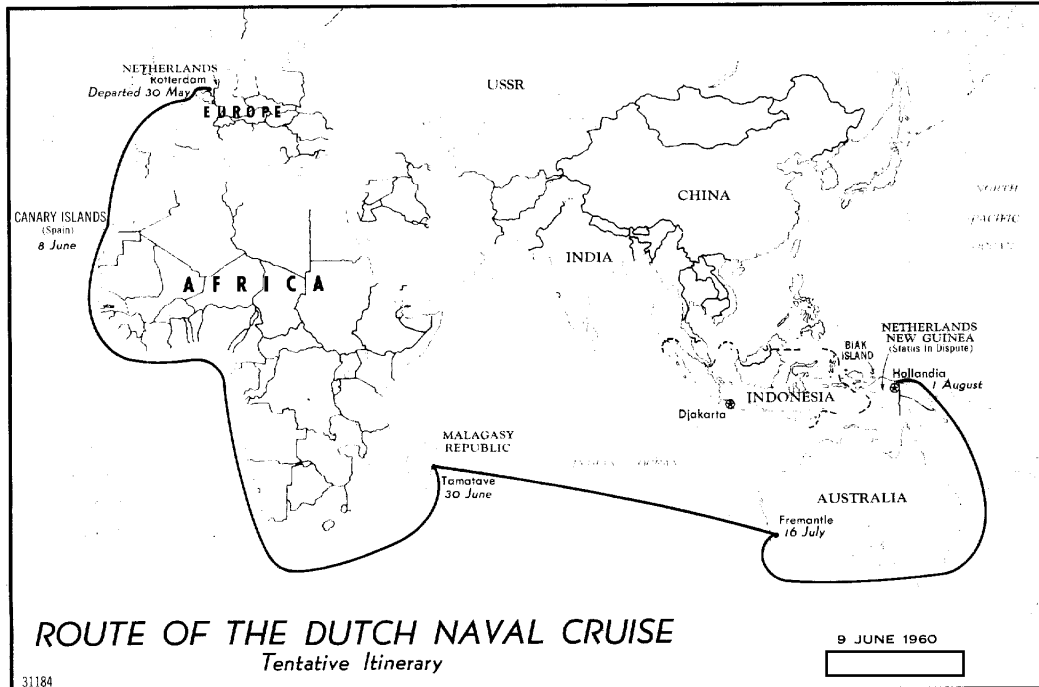
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Aware of Indonesian sensitivity, however, the Dutch have been prevailed on to tone down publicity accompanying

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the tour and are otherwise attempting to minimize tensions lest an incident be provoked. They have stated that the aircraft carrier--accompanied by two destroyers and a tender--will not enter territorial waters adjacent to Indonesia proper, but that it will approach West New Guinea from Fremantle, Australia, around the southern and eastern Australian coasts, arriving in Hollandia at the beginning of August. Since Indonesia claims West New Guinea and the waters around it, however, the Dutch fleet will be penetrating Indonesia's claimed territorial waters as it approaches its destination.

Indonesian action since the sailing of the Karel Doorman has been confined to a complaint filed with the Dutch

Foreign Ministry protesting reinforcement of New Guinea and to a statement asserting that Dutch policy toward that area is "provocative and aggressive." The statement says the Netherlands' action has created an explosive atmosphere, "the consequences of which must be fully borne by the Dutch Government."

An Indonesian naval task force which has been conducting exercises in a show of force in eastern Indonesian waters has returned to port to prepare for joint exercises scheduled with the Indian Navy for July in waters not yet announced. Indonesia continues its military alert on islands adjacent to New Guinea.

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**FINNISH POLITICAL SITUATION**

The effort of the past week to form a majority government in Finland, promoted largely by President Kekkonen, was accompanied by indications of Soviet attempts to influence Finnish domestic affairs. Kekkonen succeeded in obtaining Conservative support for a coalition to include all parties except the regular Social Democrats and the Communist-front Finnish People's Democratic League (SKDL), but his effort foundered on the opposition of the small Swedish People's party to the number of cabinet seats to be given to the Opposition Social Democrats.

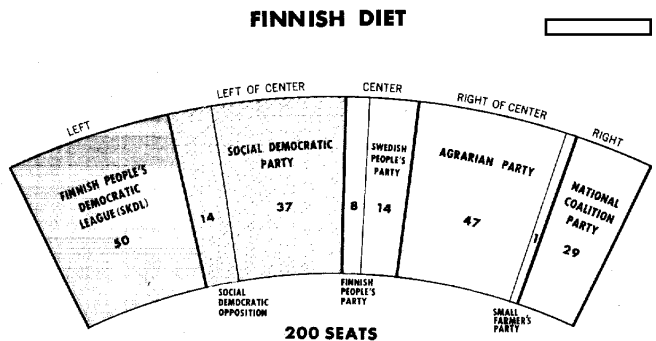
The USSR, which brought about the fall of the Fagerholm coalition in December 1958, appears to have attempted to influence Finnish developments again during the effort to replace the Agrarian government, which commands only 47 seats out of 200 in parliament. According to the Conservative leader Hetemaki, "the Russians wanted a broader based government" in order to nail down additional Finnish trade and economic commitments to the USSR. In return, he said the USSR would give its assent to

Finnish affiliation with the European Free Trade Association (EFTA).

The Finns have been extremely anxious to be associated in some way with the EFTA but felt they could not do so without Moscow's assent. Moscow in general has castigated the EFTA but apparently would accept as a quid pro quo a very long-range trade agreement assuring for years ahead the USSR's share in Finnish trade. Finland's third five-year trade agreement with the USSR, covers the period 1961-65.

Another motive for Moscow's interest in having the government broadened might be a desire to strengthen the position of the Agrarians, who appear to be the USSR's favorites among the non-Communist parties. The present Agrarian government has depended on the tacit support of the 50 SKDL and 14 Opposition Social Democratic deputies and has seemed more and more vulnerable to the efforts of the regular Social Democrats to unseat it and bring about new elections.

A formal majority coalition, led and dominated by the Agrarians, would be able to exclude the regular Social Democrats--whose leadership Moscow detests--from any influence in either the government or parliament. The failure of the recent effort at coalition means, however, that the minority Agrarian government will probably continue in power at least until the Diet reconvenes in September.

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## CONFLICTS IN BRITISH LABOR PARTY OVER FOREIGN POLICY

Revival of anti-Soviet feeling in Britain following the summit breakdown has provided at least temporary help to Hugh Gaitskell in his efforts to maintain Labor party endorsement of a pro-NATO foreign policy. Advocates of unilateral nuclear disarmament for Britain remain powerful within the party, however.

The line Gaitskell has been developing in the past month is to reaffirm the maintenance of British ties with NATO and support of nuclear weapons for NATO while "recognizing" that Britain is no longer capable of developing an independent nuclear deterrent. This view won endorsement on 24 May both from the Labor members of Parliament and from the General and Municipal Workers Union, Britain's third largest. A joint committee of Labor party and trade union leaders now is drafting a policy statement along these lines for publication prior to the annual conference of the powerful mineworkers and railwaymen unions scheduled for July.

As of now, however, trade union elements demanding unilateral British nuclear disarmament--plus similarly inclined party organizations in the constituencies--command enough votes to win on this issue at the annual party conference in October. Frank Cousins, head of the 1,300,000-member Transport and General Workers Union, agreed to be a member of the drafting committee but then scuttled Gaitskell's

hopes that he might seek to reverse his union's unilateralist stand by reaffirming on 3 June that Britain must renounce the nuclear deterrent and by emphasizing that the U-2 incident pointed up the need to abolish American bases in Britain.

There remains a slight possibility that leaders of the Amalgamated Engineering Union, Britain's second largest, with 1,000,000 members, may call a special session this summer in



GAITSKELL



COUSINS

an attempt to reverse its union's vote on 4 May for unilateral disarmament.

Gaitskell himself is less than sanguine about defeating the unilateralists, and has told American Embassy officials that once the initial disapproval of Khrushchev's behavior in Paris has spent itself, considerable criticism of the United States over the U-2 incident may again erupt within the Labor movement. Gaitskell also fears that his policy, which calls for a NATO nuclear deterrent, may stir up the strong Labor sentiment against permitting Germany to have nuclear weapons.

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**ARGENTINA REINFORCES MEASURES AGAINST TERRORIST ATTACKS**

President Frondizi has sent to Congress a proposal for stronger penalties for bombings, which have been frequent throughout Argentina, and a decree providing for federal control over Cordoba Province. The army, in charge of antiterrorist investigations since mid-March, has accused Cordoba officials of protecting and conniving with Peronista terrorists. The Cordoba provincial government has been inept and uncooperative in dealing with the army, which is determined to suppress the bombings and Peronista plotting that may be related to them.

The army command, faced with growing unrest among junior officers, decided to press Frondizi for stronger measures beyond the two special security measures now in force--the nationwide state of siege decreed in November 1958 and the emergency plan adopted in mid-March to counteract the wave of terrorist bombings, many aimed at military personnel. The army dislikes its unpopular police role, and the broad powers afforded by these special measures have been used with considerable restraint.

New impetus for other steps, however, was given not only by developments in Cordoba but also by a series of bombings last week during the sesquicentennial celebrations of the Argentine revolution. Places bombed included the houses of

the army commander at Mendoza and the chief of state intelligence.

In Cordoba, the detailed report of the army command, released on 12 May, included charges of collusion between the provincial authorities and terrorists. Those primarily implicated were Cordoba police officials, but Governor Zanichelli was accused of having been in contact with terrorist leaders in 1958. Both local and national leaders of Frondizi's Intransigent Radical party (UCRI) immediately endorsed Zanichelli to demonstrate party unity.

Later, however, when it appeared that the army was unwilling to back down on its charges, national UCRI leaders suggested privately that Zanichelli resign. His refusal necessitated the unpopular federal intervention decree. The minister of interior has announced the intervention issue will not delay Frondizi's scheduled departure on 13 June for state visits to eight European countries.

The opposition political parties, in their unrelenting attacks on the administration, will exploit popular concern over provincial autonomy. Frondizi's more immediate concern, however, is to stem the growing unrest within the army over the need for and ineffectiveness of antiterrorist measures.

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**THE PRESIDENTIAL ELECTIONS IN BOLIVIA AND ECUADOR**

In Bolivian and Ecuadorean presidential elections on 5 June, former Presidents Victor Paz Estenssoro and Jose Velasco Ibarra won sweeping victories

in four-way contests marked by serious violence and coup threats. Although both countries experienced revolutions repeatedly in the 1930s and the 1940s,

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prospects are good for peaceful inaugurations on 6 August for Paz and on 1 September for Velasco. Both men are noted for unorthodox financial policies during earlier terms of office and both are expected to emphasize economic development, possibly at the expense of the gains in economic stability made by the incumbent administrations.

In Bolivia, Paz' receipt of more than 70 percent of the vote is a major triumph for the government party organization, although strong-arm methods prevailed in some areas. The opposition was divided between the dissident faction of the government party and the rightist opposition; support for the Trotskyite candidate was negligible.

Expectations of Paz' victory had led to his participation in key government decisions prior to the election. The resignation of the cabinet on 7 June to permit appointment of a "transitional" body suggests that Paz now may become de facto leader of the country even before his inauguration. A study group linked with him is to report by mid-June on the

threatening financial crisis caused by falling production in the tin mines, the country's key economic enterprise.

In Ecuador, almost complete, although unofficial, returns indicate that Velasco won by the largest plurality in Ecuadorean history--about 47 percent of the total vote cast. His vice-presidential running mate, [redacted]

[redacted] former cabinet minister under Velasco, was also victorious, and Velasco's followers apparently won control of the lower house of congress.

The 67-year-old Velasco, who was ousted by coups in two of his three previous terms in office, is believed friendly to the United States [redacted]

[redacted] His election is grounded on widespread personal popularity rather than on his program or ideology; he may be partly indebted for his unexpectedly wide margin of victory to another demagogue, the leader of the leftist Concentration of Popular Forces, Carlos Guevara, who possibly shifted his support from the Communist-backed candidate. [redacted]

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**PART III****PATTERNS AND PERSPECTIVES****DETERIORATING INTERNAL SITUATION IN POLAND**

Political and economic conditions in Poland have worsened steadily since the crisis early last fall over the serious meat shortages. The continuing dete-

**GOMULKA**

rioration results from the almost unbelievable ineptitude of party and government leaders, agricultural setbacks, and the public's low morale. While the factors contributing to this situation are not individually significant, together they present a picture of a disorganized country with leaders incapable of coping with national problems.

The people, especially in the cities, are becoming increasingly dissatisfied with living conditions, but certain key elements for a revolt are missing. Most observers report that a sense of hopelessness and near desperation pervades the populace.

**Return of the Stalinists**

A significant and worrisome aspect of the party's reaction to its problems has been the return to key party and government posts of men identified

with the hard-line policies of the Stalinist Bierut regime. The first of these appointments came last fall when Eugeniusz Szyr, Julian Tokarski, and Tadeusz Gede were named to important economic posts.

Shortly afterward, the regime began a program of economic retrenchment. Overtime and bonus payments for industrial workers were eliminated or drastically reduced, surplus workers were dismissed, a freeze was placed on hiring, wages were cut and norms revised in many factories, and various measures were taken to cut costs and improve efficiency. Some officials regarded these steps as temporary expedients, while others saw them as the beginning of a badly needed basic reform.

The most ominous personnel change was the recall from "exile" of General Kazimierz Witaszewski in November. Witaszewski,

**WITASZEWSKI**

nicknamed "General Gaspipe" for his advocacy of brutal suppressive measures during the Poznan riots in June 1956, had been sent to Czechoslovakia as military

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attaché after Gomulka's return to power in October 1956. On his return to Warsaw, Witaszewski was given an important but unspecified post in the military intelligence organization.

Later, he was also made chief of the party central committee's reactivated administrative section which controls party cadres in government agencies. This appointment places him in a position to exert and acquire major influence over military and security forces and the administration of justice. The people reportedly interpret his appointment as a sign of worse things to come.

It soon became evident that the tightening up would not be restricted to the economy. The forced resignation in November of politburo and secretariat member Jerzy Morawski, long a close associate of Gomulka, and the dismissal of other "liberal" officials from important positions in the cultural and educational fields foreshadowed moves to tighten discipline and strengthen party control in these areas.

**Culture and Education**

At the Writers' Union Congress in December the regime made clear its intention to curtail the freedoms of Polish intellectuals and to direct the efforts of the intelligentsia into "desirable" channels. The writers showed little inclination to fight, and a new governing board subservient to the regime was elected.

**POLAND****RESIGNATIONS, DISMISSALS, AND NEW APPOINTMENTS****DISMISSED OR RESIGNED**

MORAWSKI  
HOCHFELD  
BIENKOWSKI  
CHALASINSKI  
SLONIMSKI  
ZARZYCKI  
ALBRECHT

**POLITICAL ORIENTATION**

Moderate (Pro-Gomulka)  
Liberal  
Liberal (Pro-Gomulka)  
Liberal  
Liberal (Non-Communist)  
Moderate Liberal (Pro-Gomulka)  
Moderate Liberal (Pro-Gomulka)

**APPOINTED**

GEDE  
SZYR  
TOKARSKI  
WITASZEWSKI  
TULODZIECKI  
J. IWASKIEWICZ  
JAGIELSKI  
STRZELECKI  
TITKOW  
KULSZYNSKI  
MISKIEWICZ  
MARZEC

Hard Line  
Hard Line  
Hard Line  
Very Hard Line  
Moderate  
Nonparty; regime tool  
Moderate  
Moderate (Pro-Gomulka in the past)  
Moderate  
? (Probably hard line)  
?  
? (Possibly pro-Gomulka but tending toward hard line)  
?  
? (Probably hard line)  
? (Probably hard line, but not anti-Gomulka)

**RUMORED TO BE REPLACED**

SPYCHALSKI  
JEDRYCHOWSKI  
GALINSKI  
ZAMBROWSKI

Pro-Gomulka Moderate  
Pro-Gomulka Moderate  
Pro-Gomulka Moderate  
Centrist (Generally Gomulka supporter)

**RUMORED NEW APPOINTMENTS**

RUMINSKI  
(To replace ALBRECHT)

Hard Line (Anti-Gomulka in the past)

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The government is using various methods to bring the intellectuals to heel. While there are no restrictions as to what one may write, only those works acceptable to the regime can find a publisher. Censorship has become stricter. The regime, however, has been unable to force writers to make "a positive contribution to the building of socialism." There is considerable vacillation in censorship, and a writer is occasionally able to find a publisher for an article critical of the regime.

The Gomulka regime has been increasingly dissatisfied with the political indoctrination provided by schools and universities.

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Polish youths are not becoming Communists--in fact, few of them show any interest in politics. The government has threatened to reinstitute compulsory courses in Marxism-Leninism in the universities; one high party official said in late April that this would be done "in two or three years."

There would be many practical difficulties in implementing such a policy, however. University professors are not interested in teaching Communist ideology and are "too busy" to instruct such courses. Polish youths deliberately avoid affiliation with the Communist party because of their distaste for its policies and because of the social stigma attached to party membership.

**Party Weakness**

The Communist party in Poland is not the powerful organization it is in other bloc countries, and its weakness has forced Gomulka to move slowly and cautiously in attempting to



ZARZYCKI

build up the apparatus. The party is only one of a number of competing forces; it can influence events, but it cannot control them. One of Gomulka's most difficult problems has been to develop a party capable of ruling. Frustrated by this situation, Gomulka has become less and less in touch with the internal state of affairs; he pays

less attention to his advisers and seems to be trying to make all the decisions and run the country singlehandedly.

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There has been a tendency in expanding the party apparatus to select men with a reputation for blindly following orders. Most of those removed from important positions have been moderates. The general laxness of many functionaries could have been pointed out by advocates of a tougher line as justification for firmer measures aimed at increasing party control and at the same time raising the general level of efficiency.

During the fall and winter of 1959-60 about half of the provincial party first secretaries were shifted or replaced. While little information is available on the men now holding these posts, they appear for the most part to be zealous party functionaries out to make a name for themselves.

Personnel shifts in early May removed two more moderate pro-Gomulka men from important positions. Major General Janusz Zarzycki, deputy minister of defense in charge of the Main Political Administration since November 1956, was removed and named mayor of Warsaw. Party leaders had criticized the political indoctrination program in the armed forces, and it was rumored that Witaszewski's return to an influential position meant that Zarzycki would

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have to go. Witaszewski headed the Political Administration from 1952 until November 1956.

The new chief of the Political Administration, Brigadier General Wojciech Jaruzelski, is an able young officer who has risen rapidly. He is known as a strict disciplinarian and is an active party member. The announcement of his appointment, however, did not state that he would hold the rank of deputy minister of defense, as did his predecessor, and there have been rumors that this post is to be abolished.

Central committee Secretary Jerzy Albrecht resigned in the first part of May, reportedly because of poor health. The net result is to remove another moderate from the powerful secretariat. According to rumors in Warsaw, the centrist politburo and secretariat member Roman Zambrowski, who swung his influence toward Gomulka in October 1956, is seriously ill and may not be able to resume an active role in party affairs.

It cannot yet be said with certainty that Gomulka's position has been seriously weakened by these party and government changes. The hard-liners probably are not yet in a position actually to decide party policies, but as administrators they have many opportunities to set the tone in specific applications of the party line. Gomulka's popularity, which has noticeably declined, may be further weakened by the hard-liners who deal more directly with the populace.

There are reports that Gomulka has become more autocratic--some go so far as to describe him as afflicted with megalomania--and increasingly irritable. Many

subordinates are said to be withholding information from him for fear that the truth about conditions would upset him. If the reports of the growing isolation of the party first secretary from the party apparatus and the people are accurate, a serious situation--both for Gomulka and for Poland--may be developing.

Church-State

Gomulka and Cardinal Wyszynski met in January to discuss the ever-troublesome matter of church-state relations. They apparently agreed to attempt to continue the modus vivendi, although neither wished to make concessions on fundamental differences. They recognized, however, that open conflict would not benefit either side. As a result, the mixed church-state commission, which was set up after Gomulka's return to power but which had long been inactive, resumed meetings. There appears to have been some diminution of state attacks on the church for its opposition to birth control measures.

Behind this official "live and let live" attitude lies the ominous threat of near-confiscatory taxation by the state. The government has levied such taxes on church income and property but apparently has not taken steps to collect them.

The effects of the riots and demonstrations triggered in the past several weeks by local grievances over religious issues are not yet clear. The most serious disturbances occurred at Nowa Huta on 27 April and Zielona Gora on 30 May. Less serious demonstrations took place at Olsztyn on 27 April and 1 May. The government blames the church for not controlling religious groups and may threaten punitive action against religious leaders

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if there are further disorders involving religious matters. In the touchysituation in Poland today these purely local grievances lead easily to outbreaks of violence.

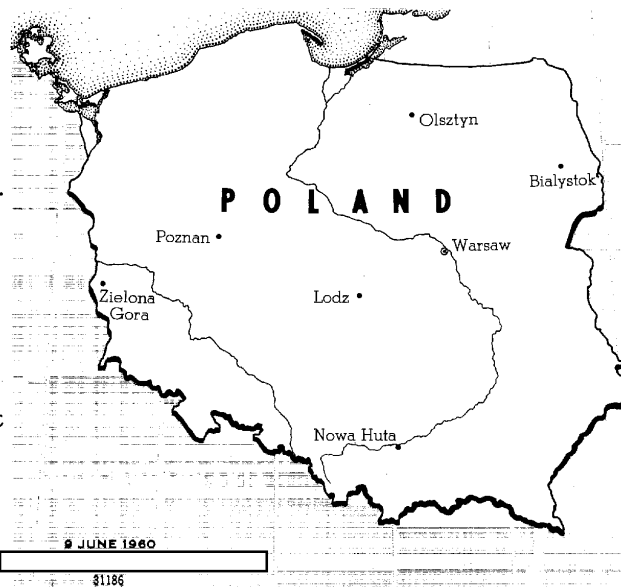
**Agricultural Problems**

Adding to Poland's woes is the serious agricultural situation. The drought that began last summer and adversely affected the potato and sugar beet harvest last year continued through the fall and winter in many areas. Fall sowing of winter grain was seriously hampered, and at least 50 percent of the winter grain--which constitutes about 70 percent of the total crop--is estimated to have been severely damaged. Spring reseeding was hampered by the continued dry weather, and the outlook is for a grain crop 1,000,000-1,500,000 tons below last year's. The government probably will seek to make up this deficit by purchases abroad if credits can be arranged.

**Mood of the Populace**

The Polish people are bitterly disillusioned because Gomulka has not solved the country's problems as they expected. Many Poles see a gradual return to the old conditions, with the present scene differing from that prior to October 1956 only because there now is more personal freedom. As more tough-line functionaries are appointed to key posts, however, people are becoming more careful about what they

say, especially in open meetings. They see Witaszewski's appointment as a warning that the regime is ready to crack down if necessary to keep dissident elements in line. More and more Poles see the party and government as tools of the Soviet Union,



obediently doing Russian bidding. One no longer hears "the Polish road to socialism" mentioned.

There is a widespread feeling that initiative and ingenuity are wasted and nullified by the inept and inefficient party and government bureaucracy. Many workers feel that it is no longer possible to do useful and creative work, and some are coming to believe that nothing can improve the internal situation.

Corruption, bribery, and thefts, especially of government property, are widespread. Low pay is only a partial reason for this problem. The years of living under hated authorities,

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first the Nazis and then the Communists, have had their effect. Petty officials use their position to extort payment for favors, workers steal from their places of employment; in effect, corruption has come to be an accepted part of life.

The worker has little or no interest in turning out a quality product, since it makes no difference whether the workmanship is good or bad; the only thing that matters is that he produce the required number of units per day. This is a major reason for the accumulation of vast inventories of shoddy goods that no one will buy. No one wishes to take

responsibility or initiative. The worker considers that there is little reason to work hard because there is so little to buy that is worthwhile.

Conditions in Poland hold little prospect for any substantial improvement. There are today no leaders to direct a popular revolt. Even if there were, the popular mood has not reached the breaking point and is only likely to if there is a serious decline in food supplies or loss of personal freedoms. The Polish people have endured much, however, and a desperate people may feel themselves driven to take desperate measures--even in the face of overwhelming odds.

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## THE OUTLOOK FOR THE FRENCH COMMUNIST PARTY

De Gaulle's policies on economic austerity and church schools and his authoritarian attitude toward parliament have given the French Communist party (PCF) its first real opportunity since shortly after World War II to break out of its political isolation. Despite its present insignificant parliamentary strength, the party retains the best organized political machine in France, and its labor arm has succeeded in establishing a pattern of cooperation with non-Communist unions. The continuing stalemate in Algeria and renewed efforts toward relaxations of East-West tensions will probably facilitate Communist efforts to win political respectability.

Earlier Setback

De Gaulle's return to power in 1958 gave the PCF its severest setback since World War II. It lost 30 percent of its customary electoral following when it opposed the Fifth Republic constitution, and the new electoral law lopped off 90 percent of its parliamentary seats. For months its very existence was threatened. The party recouped somewhat in the March 1959 municipal elections, but in June, Secretary General Maurice Thorez reportedly admitted privately that it had been a difficult and dangerous year, in which the party could easily have lost its legal position and political strength.

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The party leadership carefully avoided risking provocative action. The 1959 party congress resolved that "the first condition of all further progress" was the elimination of the "personal power regime" of De Gaulle and the "restoration of democracy." The means advocated, however, were peaceful: unity of action with the non-Communist left "at all costs," and increased propaganda and recruiting activity. The party's number-two man, Jacques Duclos, said the PCF proposal for the election of a new constituent assembly to restore supreme power to the national assembly would not be pressed until "the time is ripe."

De Gaulle Provides Openings

De Gaulle's policies, frequently applied in tactless fashion by Premier Debré, have in the interim afforded increasing opportunities for Communist efforts to promote unity of action with non-Communists. The economic austerity program, particularly the government's determination to hold the wage line, has benefited the Communists on the labor front. According to the American Embassy in Paris, one of the most important events of 1959 was the progress made by the Communist-dominated General Labor Confederation (CGT) in overcoming its previous isolation and in winning increasing acceptance from the non-Communist unions as a legitimate ally.

Although the government's threat to crack down on any major strikes and its offer of token wage concessions in the latter half of 1959 prevented any nationwide strikes, labor has become increasingly restive. Unity of action in short work

stoppages has been widespread in private industry, in the nationalized industries, and among the civil servant unions. The recently renewed militancy of the transport unions may force the non-Communist confederations into close alignment with the CGT.

Church-School Issue

Debré's reopening of the church-school issue, partly dictated by pressure from the rightist-dominated assembly but also inspired by De Gaulle's wish to settle this controversial question of long standing, gave the PCF an opportunity to break out of its isolation on the political level. The government's bill to increase government aid to church schools stirred up a storm of protests. In the assembly vote on the bill in December, the Communists, Socialists (SFIO), and most of the Radicals voted together in opposition.

Moreover, the National Committee for Laic Action (CNAL), which aims to prevent implementation of the bill, at last count had collected more than 9,000,000 signatures on a petition of protest. The PCF and CGT have ostentatiously publicized and supported the CNAL campaign, which is backed by the Socialists, dissident Socialists, and Radicals as well as the Force Ouvriere (Socialist) labor union, the Autonomous Teachers' Union, and the Union of Students.

Algerian Problem

The opportunities for unity of action with the non-Communist left were enhanced in October, following Thorez' return from Moscow, when the PCF switched from condemnation to qualified support of De Gaulle's 16 September self-determination proposal on Algeria. Paralleling

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Khrushchev's friendly statements, this reappraisal also aligned the PCF position with the favorable response of the non-Communist left and center.

The January rightist insurrection in Algeria provided the PCF with its most dramatic opportunity to exploit its breakout from political isolation. The party was able to demonstrate its "loyalty" to republicanism and to garner the benefits of "respectability" by alignment with majority opinion in France. The CGT joined without undue ostentation in the nationwide token work stoppage organized by the major free unions to demonstrate support for De Gaulle.

The opening made in January was widened in March when De Gaulle questioned the likelihood of early French-Algerian negotiations for a settlement and predicted a long, hard military campaign. This statement was a major element in the growing disenchantment the moderate left has evinced toward De Gaulle. Although SFIO Secretary General Guy Mollet continues to maintain that there is no alternative to De Gaulle, another prominent Socialist leader, Francis Leenhardt, has indicated that the March statement marked a turning point in SFIO support. Many SFIO militants reason that if the government views Algeria as just one of several tough problems, they can no longer be expected to practice the restraint they have sought to exert on other issues so as not to inhibit a solution in Algeria.

Even in the government coalition, notably among the Popular Republican party (MRP), the PCF line that De Gaulle has abandoned self-determination is finding increased credence.

The Khrushchev Visit

The Khrushchev state visit in March and April probably further increased PCF respectability, despite much adverse comment concerning the welcoming committees and "cheering sections" the party organized. A major publicity build-up, particularly stressing French-Soviet cultural ties, preceded the Soviet premier's arrival, and his trip was covered in detail by all the press as well as by state-controlled mass communications media. Khrushchev and the PCF spread the themes of peace, disarmament, peaceful coexistence, and Soviet-French friendship.

The US Embassy believes Khrushchev's circumspect and dignified behavior lessened any hesitancy the average French citizen might have had regarding a friendly settlement with the USSR because of ideological differences. Even the May summit conference probably has not completely shattered the favorable image of Khrushchev created in France in March, since his primary target in May was the United States, and he took pains to absolve France and to commend De Gaulle's conciliatory efforts.

Outlook

A formal alliance of Communists and non-Communists in a popular front still seems extremely unlikely, barring the development of an extreme authoritarian regime in France. Nevertheless, the extent to which De Gaulle's policies have already produced serious disaffection was indicated by Jacques Fauvet, chief political editor of the influential Paris daily Le Monde, in a 7 May article charging that the inability of the political parties to face up to the two dominant forces in France today--De Gaulle and the French Army--

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would inevitably lead to the disappearance of what remains of French democracy.

Fauvet exhorted the parties to confront these issues, and recommended that the left enter into tactical agreements, limited in time and scope, with the French Communists; without such agreements, he said, "There never has been, nor can there be, even temporary unity of the left."

Several splinter groups of the traditionally divided left have already united in the Unified Socialist party (PSU),

which was formed this spring. While the dissident Socialists in the PSU reject formal cooperation with the PCF on the national level, two other components of the PSU are advocates of cooperation with the Communists, and the PSU has already cooperated with the PCF in local elections.

The PSU counts in its ranks ex-Premier Mendes-France, who hopes to promote himself as leader of the entire left, to be ready to take over, when, as he predicts, the Fifth Republic disintegrates over another Algerian crisis.

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## IZVESTIA INSPIRES NEW LOOK IN THE SOVIET PRESS

Aleksey Adzhubey, Khrushchev's son-in-law, has given Izvestia, the mouthpiece of the Soviet Government, a face-lift--designed to increase its reader appeal and its propaganda effectiveness. Since being named editor in May 1959 at the age of 35, Adzhubey has introduced innovations in format, style, and content--many borrowed from Western newspapers--which have substantially increased the newspaper's circulation and probably its impact.

Izvestia has been converted, after 43 years, into an evening newspaper, a step evidently designed to give it a better competitive position with respect to the party organ Pravda, a morning newspaper. Without losing sight of the purpose of the Soviet press--to promote political conformity and mobilize the population behind regime policies--the energetic Adzhubey, probably with Khrushchev's personal encouragement, appears to be answering the party's call for a revitalization of the lumbering Soviet propaganda

machinery. Some other Soviet newspapers are beginning to follow his example.

Drive to Revitalize Press

Khrushchev began the drive to revitalize the press in late



ADZHUBEY

1953, when he exhorted a conference of journalists to more individualistic and lively writing. The youth paper, Komsomolskaya Pravda, which Adzhubey then edited,

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was the first to break the old mold. Discarding some of the timeworn practices of Soviet journalism, the newspaper adopted a more eye-catching format, crusaded against violations of "Soviet morality" and local abuses, including crime, and introduced a personal touch into stories designed to dramatize important issues.

Adzhubey, who had admired the dynamic style of American journalism on a visit to the United States in 1955, sent his reporters into factories and homes to report at first-hand. The results obviously pleased Soviet readers: circulation rose from 1,500,000 to 3,500,000 in five years.

Although Pravda and Izvestia remained aloof, other papers, such as Trud and Soviet Russia, took on a brighter look for a time but retreated to the usual safe dullness in the wake of the tightening of controls after the Hungarian revolt. At the same time, those provincial papers which had tried to imitate Komsomolskaya Pravda but had lacked the judgment and political backing to carry it off were attacked for neglecting ideology and for "sensationalism."

Adzhubey duly embraced the new line by giving space in his pages to the assault on "revisionists" and free-thinking writers. His newspapers, nevertheless, retained its distinctive touches. His position was ambivalent: on 10 February 1958 he received a high award, the Red Banner of Labor, but on the following day his newspaper was censured by the party central committee for excessive use of photographs to the detriment of ideological content.

Immediately after the 21st party congress in February 1959, however, a new effort was launched to gain better propaganda support of the new Seven-Year Plan. A highlight of the campaign was the January 1960 central committee decree on propaganda; this called on all elements of the vast propaganda mechanism to bestir themselves in behalf of the regime's political and economic objectives. In order to buttress the press as a major instrument in this campaign, the party organized the Union of Soviet Journalists, created a new Lenin Prize category for "journalism and publicity work," and dedicated a separate May Day slogan to press and radio workers.

Khrushchev told the first congress of the Journalists' Union in November 1959, "There is still too much dull stuff in our papers," and Pravda called on the union to make the Soviet press lively, daring, and varied.

Adzhubey and Izvestia

Izvestia at the time Adzhubey was appointed editor was the USSR's second-ranking but dulllest all-Union newspaper. Published six days a week (excluding Monday), it stressed internal and foreign governmental developments. About half of its copy, however, duplicated Pravda, the official party paper.

Adzhubey had begun writing for Komsomolskaya Pravda while studying journalism and world literature at Moscow State University after wartime service. During the early 1950s he married Khrushchev's daughter Rada, traveled widely abroad, and rose on the Komsomolskaya Pravda staff, becoming chief editor about May 1957. In April 1958 he was

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elected to the top governing body of the Komsomol and began participating frequently in exchanges of journalist delegations.

Other marks of favor have been conferred on Adzhubey since his appointment to Izvestia. In the summer of 1959 he was elected to the USSR Supreme Soviet, was a leader of the Soviet youth delegation to the Seventh World Youth Festival in Vienna, was named vice president of the Soviet-Italian Friendship Society, and received the silver peace medal from the Communist-dominated World Peace Council. He is also a secretary of the board of the new Union of Soviet Journalists.

Adzhubey was a member of Khrushchev's immediate party on the premier's visits to the United States, Asia, and France, and was one of the 12 authors of Face to Face With America, an account of Khrushchev's US trip; this book received a Lenin Prize. Adzhubey now is apparently one of Khrushchev's close personal advisers and speech writers.

Despite his advantages, Adzhubey faces problems as Izvestia's editor in meeting the party's simultaneous demand for both more explicit devotion to propaganda themes and more appealing fare for Soviet readers. As editor of the government organ, he is obliged to report in full the long, dull, official speeches, and to carry announcements and articles which TASS sends in as "must copy." It is primarily in the remaining space of the usual four- or six-page spread that he can promote innovations, but even here, party and government officials interfere to tell him what to print and the censors tell him what not to print. If he introduces more human-interest

material, he risks charges of apoliticality and lurid sensationalism "under the influence of the Western bourgeois press."

Livelier Format

Adzhubey has, nevertheless, succeeded in brightening Izvestia to such an extent that its circulation has climbed in one year from a stationary 1,500,000 to more than 2,000,000. Izvestia's pages have begun to bloom with larger, warmer, and more striking photographs, cartoons, and drawings on a great variety of themes. Khrushchev was shown patting children's heads; attractive couples waterskiing--a three-column photograph; a crane taking off from its nest; a sailboat on the Neva at sunset--a tall one-column shape. Frequent use is made of pictures of children, animals, and movie actresses.

Almost every issue now has one or two photographs chosen for the handsomeness of the subjects rather than their achievements. Izvestia has even printed photographs of nude sculpture. The new policy is to select pictures which penetrate into all corners of Soviet life, including rest and nature as well as work.

Cartoons, including reprints from Western papers, are published in almost every issue. The vast majority harp on standard propaganda themes, but apolitical cartoons also have appeared.

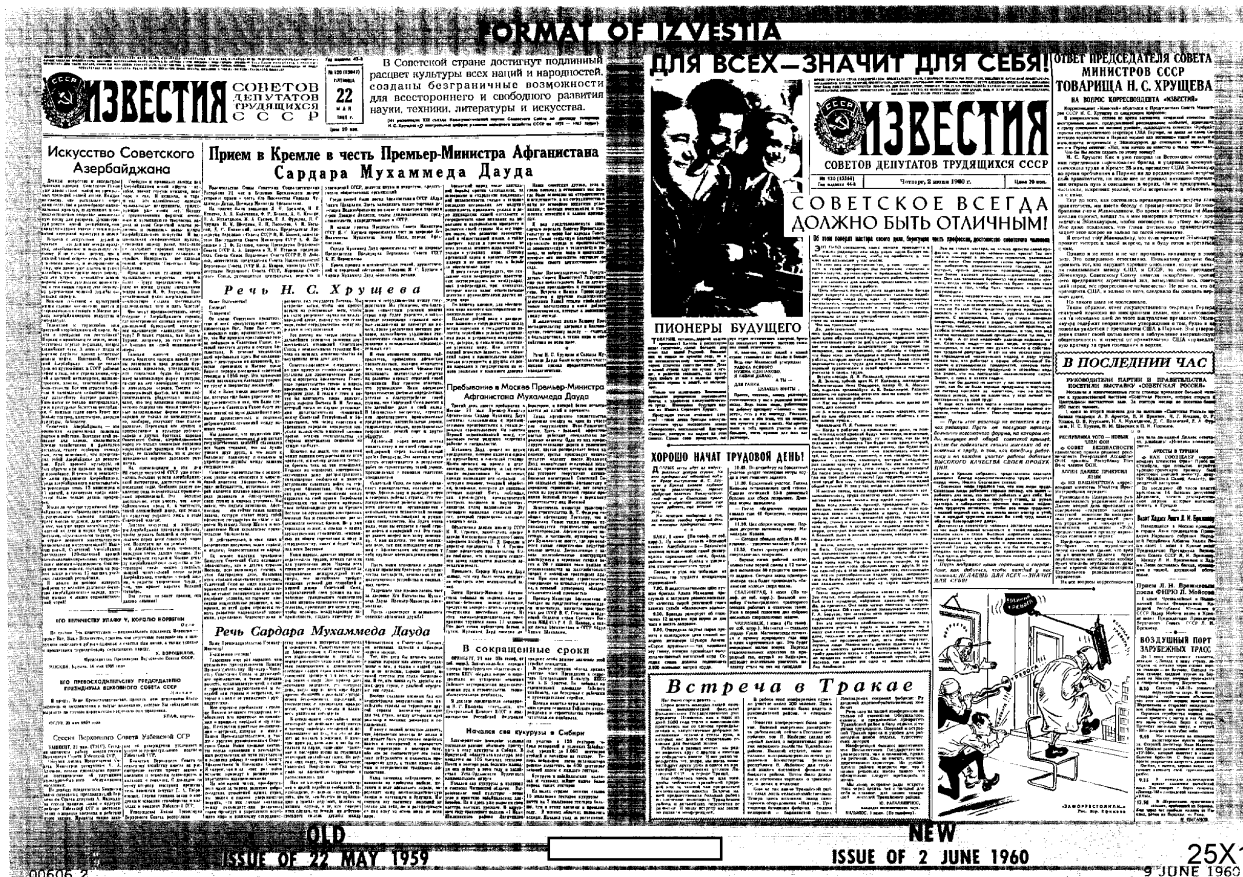
Adzhubey has used a great variety of eye-catching headlines which feature colloquial phrases, literary allusions, rhetorical questions, puns, and rhyming couplets. The headline "Do a Better Job of Bringing Up Our Youngsters" introduced a party-government decree on

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pre-school institutions; and "They've Forgotten About the Grandmothers" introduced a complaint about the shortage of clothes for older people.

Izvestia's front page reveals the extensive innovations in format. The masthead has been enlarged, boxed in, and moves around the top of the page. Western-style banner headlines in capitals are frequent. The old stereotype requiring an article extending all the way across the bottom of the page has largely disappeared. The dull, symmetrical, horizontal layout of articles in large rectangles has been supplanted by a more vertical layout with articles arranged in a lively zigzag pattern. Pages which formerly were often unbroken blocks of print are now punctuated by numerous photographs, larger, blacker headlines and subheads, articles set off by

heavy lines or scrolls, variegated type faces, and indented passages.

Cartoons, news briefs, poems, and letters to the editor now frequently enliven page one. The prime spot in the upper left-hand corner, formerly monopolized by the unsigned lead editorial, now carries announcements, signed articles by journalists, government leaders, or workers--or photographs. The new, last-page column "Official Announcements," which presents capsuled news of diplomatic events, has cleared the front page of much routine material. "Latest News," a new boxed column in a roving location, summarizes selected timely internal achievements and international events.

Izvestia is cultivating a warmer tone and a simpler, more colloquial style. Many feature

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articles and some editorials are written in the first person. The familiar form of the pronoun "you" even appears in headlines. To emphasize their closeness with the readers, the editors have replaced the formal editorial phone listing with a cheery box entitled: "Our Addresses."

More Human Interest

Adzhubey has given more space to a greater variety of human-interest materials. The entire back page and some space in inner pages are now devoted to subjects of wide reader appeal--sports, chess, theater, literature, art exhibits, science, nature, family, morals, consumer goods, and the daily television schedule.

Izvestia has refurbished its technique of exploiting news stories to inculcate officially desired attitudes. It was, for example, the first Soviet paper to publish the story of the four Soviet soldiers adrift in the Pacific. In the enormous coverage which followed, the Soviet press presented the episode as a Western-style human-interest story, seeking to portray a spontaneous national response to the soldiers' "heroic" endurance and also extolling the virtues and superiority of the "new Soviet man." Izvestia has also reported some accidents and natural disasters, previously censored from the Soviet press, to point out strong morals, such as Soviet self-sacrifice and the heroic conquest of nature.

By its focus on individual cases, Izvestia has sought to increase the human interest aspect of old propaganda themes. Indignant stories about victims of bureaucratic indifference,

slander, snobbery, exploitation of women, or judicial error aim to stamp out these "bourgeois survivals." Often told in a sentimental and melodramatic fashion, these stories have even involved rape, murder, and suicide--subjects previously banned. Numerous cases of speculation, antilabor attitudes, and hooliganism are exposed.

Izvestia's Campaigns

Izvestia in the past year has conducted a number of campaigns which capitalized on human interest and reader participation. Such series of articles as "Spring Campaigns of Izvestia" and "Leninist Labor Guard" extol the heroic exploits of Communist labor brigades in an effort to stimulate overfulfillment of the Seven-Year Plan. Other campaigns--for the new policy aimed at conversion of criminals through social influence, against excesses committed by the People's Guard and other groups in overzealous protection of the public, and for better taste in dress and home furnishings--appeal to the growing general concern with Soviet morality, manners, and taste. The newspaper usually initiates these campaigns with several editorials and then opens its pages to readers' letters.

Criticism and Self-Criticism

Izvestia has also intensified the traditional role of the Soviet press in publicizing local abuses and shortcomings and in encouraging "self-criticism." Local or special correspondents are detailed to check reported defects on the spot. Exposés sometimes involve persons as high as republic ministers. Although undoubtedly annoyed by this outside interference and obligatory "self-criticism," the directors

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involved usually admit that "the facts reported by Izvestia are correct." Izvestia tries to follow up on its criticism and keep the public informed of progress being made to overcome shortcomings through its regular column "After Izvestia Came Forward."

Letters to the Editor

The Soviet press has always represented itself as a public forum to which every citizen has access. The new Izvestia gives considerably more space and prominence to the 500-1,000 letters it purportedly receives daily from its readers. "From the Latest Mail" has become a daily feature and frequently appears on page one.

Other columns based on letters and often accompanied by the editor's notes on his follow-up of the letter include "The Readers Propose," "Marginal Notes," "The Reader Asks; the Minister Replies," "Responses, Replies, Proposals," "Ideas on Education," and "The World of an Intellectual." Most of the published letters make complaints or suggestions about consumer goods and services--a device which presumably gives readers a sense of participation as well as an outlet for frustration.

More International News

Izvestia now devotes its entire next-to-last page to international news. It has added several columns such as "International Notes," a monthly international review page, frequent travelers' reports, and more reprints of foreign cartoons, photographs, and articles, including several by Walter Lippmann. This increase in foreign coverage, although still extremely limited

in comparison with Western papers, appeals to Soviet curiosity about the outside world. The materials are carefully selected and distorted to promote standard propaganda themes and swell Soviet pride in the USSR as a respected, magnanimous world power.

Western-Style Sunday Supplement

The Week, a tabloid-size, 24-page illustrated Sunday supplement which Izvestia began in March 1960, is an attempt to expand the newspaper's drawing power without cutting into the space necessary for "must copy" in the daily issues. Its pictorial approach, lively format, focus on people, and varied coverage--sports, art, fiction, health, science, home, family, and foreign countries--make it one of the most appealing Soviet publications. Incorporating many features of American Sunday supplements, The Week even contains a section for do-it-yourself enthusiasts, some advertisements, and a cartoon page.

Significance

Faced with the warning that newspapers which do not sell will be eliminated, some other editors are beginning to follow Adzhubey's example. The new look Adzhubey has brought to the Soviet press consists of using every possible device to make propaganda more interesting and effective. The concept of the Soviet press as a major propaganda instrument and the selection of materials on that basis have not changed, but the new Izvestia is a refreshing change for the Soviet reader. The example Izvestia is setting for the Soviet press will give the regime a more effective weapon for accomplishing its goals.

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**PETROLEUM DEVELOPMENTS IN LATIN AMERICA**

Although Latin America in 1959 retained the share of total world petroleum production which it held in 1958--approximately 18 percent--its portion of the total and possibly also the quantity of its production may decline in 1960, especially in view of forecast increases in other areas and the indicated drop in Venezuelan output. A 6.4-percent increase in 1959 in Venezuela, the world's largest exporter of petroleum and second largest

1960 by the USSR as the second-ranking producing country after the US. Exploration and drilling in Venezuela have dropped sharply since 1957. Venezuela faces difficulty in retaining its traditional markets because of a number of factors, including the world oil surplus, US import restrictions, competition from low-cost Middle Eastern oil, expanding Soviet oil exports, and the opening of new producing areas in Algeria and Libya.

**LATIN AMERICAN CRUDE OIL PRODUCTION, 1957-1959**

THOUSAND BARRELS PER DAY (B/D)

|   | 1957     | 1958     | 1959     | PERCENT CHANGE<br>1958 TO 1959 | B/D CHANGE<br>1958 TO 1959 |
|---|----------|----------|----------|--------------------------------|----------------------------|
| ARGENTINA                                   | 92.7     | 97.8     | 122.4    | 25.2%                          | 24,600                     |
| BOLIVIA                                     | 9.8      | 9.4      | 8.7      | -7.4%                          | 700                        |
| BRAZIL                                      | 27.7     | 51.8     | 64.6     | 24.7%                          | 12,800                     |
| CHILE                                       | 11.9     | 15.3     | 17.4     | 13.7%                          | 2,100                      |
| COLOMBIA                                    | 125.3    | 128.5    | 145.0    | 12.8%                          | 16,500                     |
| CUBA  | 1.0      | 0.9      | 0.5      | -44.4%                         | 400                        |
| ECUADOR                                     | 8.7      | 8.5      | 7.6      | -10.6%                         | 900                        |
| MEXICO                                      | 252.6    | 275.7    | 289.8    | 5.1%                           | 14,100                     |
| PERU  | 52.7     | 51.3     | 48.5     | -5.5%                          | 2,800                      |
| VENEZUELA                                   | 2,779.2  | 2,604.0  | 2,771.0  | 6.4%                           | 167,000                    |
| TRINIDAD                                    | 93.3     | 102.3    | 112.1    | 9.6%                           | 9,800                      |
| TOTAL LATIN AMERICAN<br>PRODUCTION          | 3,454.9  | 3,345.5  | 3,587.6  |                                |                            |
| TOTAL WORLD PRODUCTION                      | 17,887.2 | 17,993.9 | 19,456.0 |                                |                            |
| LATIN AMERICAN PERCENTAGE<br>OF WORLD TRADE | 19.3 %   | 18.6 %   | 18.4 %   |                                |                            |

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producer after the US, was primarily responsible for maintaining Latin America's share of expanding world production. Nationalistic sentiment against development of oil resources by foreign companies continued to be evident, as were Communist efforts to exploit this sentiment in various ways.

**Production and Drilling**

Venezuela, which in 1959 accounted for over 77 percent of Latin American oil production and over 14 percent of the world total, may be replaced in

Venezuela's competitive position in world markets may be further reduced by a rise in production costs caused by a new oil workers contract signed early this year. In addition, the Venezuelan Government retroactively increased its share of petroleum company profits in late 1958 from 50 to about 63 percent.

The government claims that oil production in 1960 will increase approximately 4 percent over 1959 and has partly premised a long-range economic development program on

profits from this annual increase being maintained over the next four years. Production through the first quarter of 1960, however, is trailing the corresponding 1959 period by over 5 percent.

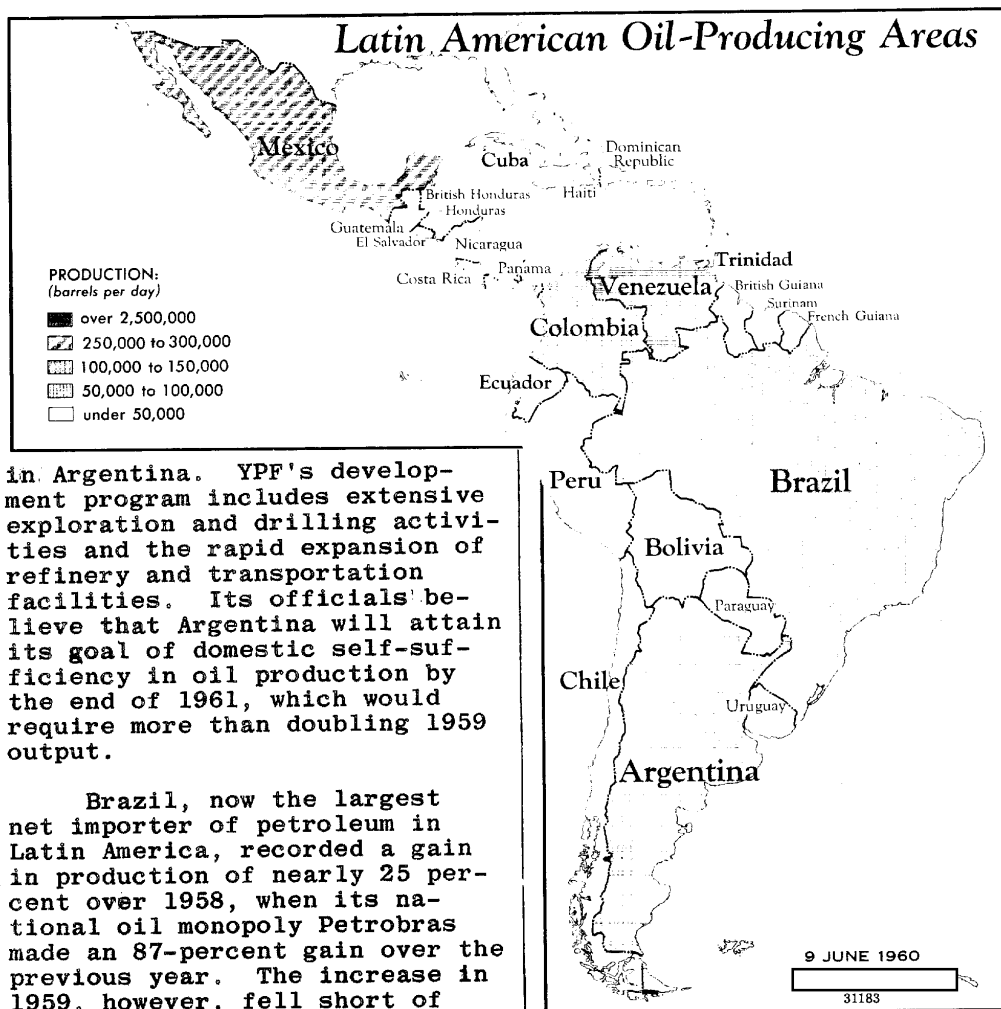
Argentina in 1959 registered the highest percentage gain in Latin America--25.2 percent above 1958--and the largest quantity increase outside Venezuela. The recent achievements of the State Oil Fields (YPF) are largely attributable to a number of foreign oil companies, mostly US-owned, which are operating under a wide variety of contractual arrangements

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in Argentina. YPF's development program includes extensive exploration and drilling activities and the rapid expansion of refinery and transportation facilities. Its officials believe that Argentina will attain its goal of domestic self-sufficiency in oil production by the end of 1961, which would require more than doubling 1959 output.

Brazil, now the largest net importer of petroleum in Latin America, recorded a gain in production of nearly 25 percent over 1958, when its national oil monopoly Petrobras made an 87-percent gain over the previous year. The increase in 1959, however, fell short of the growth in domestic consumption during the period.

Colombia, Mexico, Trinidad, and Chile also registered modest quantity gains in 1959, while production declined in Cuba, Bolivia, Peru, and Ecuador. Ecuador now has become a net importer of petroleum instead of a net exporter, and recent trends suggest that Peru may soon be in a similar position.

Foreign oil companies made no major discoveries in the area during 1959, despite costly

drilling and exploratory work in Guatemala and Paraguay, and offshore operations in Ecuador and Venezuela's Gulf of Paria. Operations now have been abandoned in Paraguay and reduced in some of the other countries.

#### Opposition to Foreign Companies

Nationalistic sentiment against foreign oil companies has flared up in several producing countries. In Peru, the Texaco Corporation in late 1959 was charged with possessing aerial

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photographs of one of its concession areas in "violation" of Peruvian sovereignty and security interests.

A more serious attack has been made against the US-owned International Petroleum Company, which accounts for about 68

issue is resolved, the position of the private producers will remain uncertain.

In recent months both Venezuela and Cuba have established national oil agencies which are designed to engage in all phases of oil industry operations. Al-

though Venezuelan President Betancourt has recently stated emphatically that his government has no plans to nationalize the Venezuelan oil industry, he also reiterated his firm policy of not granting any new concessions to foreign oil companies.

The establishment of the Cuban Petroleum Institute (ICP) largely reflects the Castro regime's hostile position toward all foreign investment. The foreign oil companies now have virtually terminated their drilling and exploratory activities--which have achieved little success after heavy investments--and their operations are restricted to refining and marketing. These activities too may soon be taken over by the government.

**NATIONAL PETROLEUM AGENCIES IN LATIN AMERICA**

| COUNTRY   | SYMBOL DESIGNATION               | POSITION IN INDUSTRY   |
|-----------|----------------------------------|--|
| Argentina | YPF                              | Est. 1922; virtually exclusive monopoly for production and principal refiner; private producers working depleted concessions granted before 1935 account for only small fraction of total production; private foreign companies operating under contracts granted since 1938 are under YPF's authority   |
| Bolivia   | YPPB                             | Est. 1936; accounts for all of nation's production and refinery output. Exclusive monopoly 1937-52. A number of concessions have been granted to foreign companies since 1953 especially after adoption of petroleum code of 1955, which is favorable to private enterprise.   |
| Brazil    | PETROBRAS                        | Est. 1953; exclusive production monopoly and principal refiner; private companies are allowed to engage in refining and marketing.   |
| Chile     | ENAP                             | Exclusive production and refining monopoly; private companies allowed to market and control most of this phase of the industry; recent attempts to pass legislation permitting private investment in exploration, drilling, and production have not been successful.   |
| Colombia  | ECOPETROL                        | In recent years, has accounted for more than 20 percent of production and over 95 percent of refinery output.  |
| Cuba      | Cuban Petroleum Institute (ICP)  | Est. 1959 as division of National Agrarian Reform Institute, a state agency engaged in wide number of agrarian and industrial activities; ICP has become virtually exclusive monopoly for production since adoption of November 1959 petroleum law, which is highly adverse to private foreign investment in this phase of the industry; foreign companies' refining and marketing operations are being severely restricted by ICP's entrance into these fields of activity. |
| Mexico    | PEMEX                            | Est. 1938; exclusive monopoly for all phases of the industry except small amount of retail marketing allowed private companies.  |
| Uruguay   | ANCAP                            | Exclusive monopoly for exploration and refining. Uruguay has no production.  |
| Venezuela | Venezuelan Petroleum Corporation | Est. 1960 as nonrestrictive agency to engage in all phases of the oil industry in competition with private companies; initial government financing \$750,000.  |

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percent of the nation's oil output. The company's outright ownership of the subsoil rights to the La Brea - Parinas field in the northern coastal area was derived from an international arbitral award in 1922. The award has been a major political issue during 1960, and International Petroleum has been denounced by political groups--including Communists and extreme rightists--with concomitant demands for cancellation or alteration of its holdings. Until the

In Colombia, Latin America's third largest oil producer, private companies, whose labor unions are Communist-influenced, have also been subject to nationalistic sentiment. Gasoline price increases in May brought special criticism of the companies, and a pro-Communist organization has submitted to Congress a proposal calling for nationalization of the oil industry.

In Ecuador, labor and other public pressures apparently

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forced the government to retract the gasoline price increases which it had allowed in return for the completion of a refinery expansion program by the principal foreign oil producer.

Proposed Chilean legislation in 1959 to allow private foreign investment in oil production provoked serious nationalist opposition in Congress which its backers have not as yet overcome.

In Argentina, the principal opposition party and other groups hostile to President Frondizi continue their strong denunciation of YPF's contractual arrangements with foreign oil companies despite the encouraging results these have achieved thus far. General public sentiment in Argentina also opposes foreign participation in the development of national petroleum resources, although the inroads being made on the country's oil deficit seem to have softened this opposition somewhat.

In Brazil, nationalistic feeling against foreign investment in oil development apparently continues unaffected by the gains in neighboring Argentina's production.

In Mexico, the national oil monopoly, Pemex, which sponsored a regional petroleum conference last March in Mexico City, now may offer its services and guidance to other national petroleum agencies in the hemisphere--reversing the policy of the previous Pemex director.

**Soviet Activity in Area**

The USSR, which is expanding its oil exports to the free world, is apparently using petroleum as a means to exploit nationalistic sentiment against US investments in the Latin American petroleum industry, and

to disrupt the marketing patterns of US-owned companies in the area. The principal Soviet success thus far is in Cuba, where at least 900,000 tons of Soviet crude oil--about 43 percent of Cuba's consumption for the rest of this year--are to be imported in 1960 under the new Cuban-Soviet trade agreement.

The Soviet oil import arrangement--which could eventually be expanded to meet all of Cuba's needs and foreshadow the complete nationalization of private companies--seriously affects Venezuelan exports to Cuba and has already aroused strong reaction in the Venezuelan press.

In Uruguay, which has a critical foreign exchange problem because of declining wool exports, repeated Soviet offers to exchange oil for wool over a three-year period are apparently being seriously considered. Under the terms of the Soviet proposal, the USSR would probably supply at least 25 percent of Uruguay's normal oil requirements on a semibarter basis, conditioning wool purchases on Uruguay's acceptance of Soviet crude oil. Such an arrangement would further affect the traditional Western oil suppliers of Uruguay, including Venezuela.

Brazil imported about 420,000 barrels of Soviet crude oil in 1959 under a cacao-for-oil barter agreement, and agreed last December to accept over 4,000,000 barrels per year--roughly 4 percent of Brazilian consumption--beginning in 1960 under a new three-year trade agreement. Since then, however, Brazil has expressed reservations about going through with this arrangement, ostensibly for technical reasons.

Argentina, which has obtained some petroleum imports from the USSR since 1954, in 1959 took 2,267,000 barrels of Soviet crude and 2,082,000 barrels

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of other petroleum products-- totaling about 5 percent of Argentine consumption. Future Soviet oil shipments seem likely to decline as Argentina approaches its goal of self-sufficiency.

Argentina has ordered only \$32,000,000 worth of oil equipment under the \$100,000,000 Soviet credit for this purpose under an agreement signed in October 1958, and only a small portion of the amount on order has been delivered. A supplementary protocol to the 1958 agreement signed in May 1960 provides that Argentine state organizations may use this credit for machinery imports other than oil equipment. YPF officials reportedly plan to cancel some of their orders and to permit the entry of not more than four Soviet petroleum technicians into the country, instead of the 20 previously considered for servicing the Soviet equipment.

The USSR has made overtures to various other Latin American governments to supply

credit, equipment, and technical aid for oil development. A large Brazilian trade delegation which visited Moscow in late 1959 included members of the national petroleum monopoly, Petrobras, who reportedly investigated Soviet oil equipment for possible acquisition under the Brazilian-Soviet trade agreement signed at that time. Later, four Soviet technicians visited Sao Paulo to advise a private concern on the proposed establishment of a shale-extraction plant.

Influential political groups in Bolivia, including the oil workers' federation and elements of the ruling party, have urged the acceptance of \$60,000,000 general Soviet credit overture --first made in late 1958--for development of the national petroleum agency, and it has been rumored that a special mission will soon go to Moscow to investigate this offer.

In Cuba, some of the recently arrived bloc technicians may have been assigned to assist the Cuban Petroleum Institute.

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